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DPRK Applies to Nuclear War Prevention Society

OW0708122994 Tokyo KYODO in English 1156 GMT 7 Aug 94

[Text] Kuala Lumpur, Aug 7 KYODO—North Korea has applied to join the influential International Physicians for the Prevention of Nuclear War (IPPNW), whose members in 83 countries campaign for the abolition of nuclear weapons, the body's officials said Sunday [7 August].

The IPPNW's Executive Committee has recognized North Korea as an "affiliate-in-formation" following its application some months back, but formal acceptance will be decided next year when the decision-making international council meets.

"The 83 member countries must vote to formally accept North Korea and we don't think there should be any problems," IPPNW Co-President Victor Sidel told a news conference at the end of a four-day meeting of the IPPNW's Asia-Pacific chapter.

North Korea's bid to join the IPPNW, which won the Nobel Peace Prize in 1985, comes as it faces increasing international pressure to open up its nuclear facilities for inspection.

Two North Korean participants, representing the Korean Anti-Nuclear Peace Physicians, took part in the conference in Kuala Lumpur which was attended by 150 delegates from 16 countries.

The North Koreans joined delegates from South Korea and Japan in a pre-conference IPPNW-initiated meeting Wednesday to help "encourage dialogue" between the three northeast Asian countries that IPPNW hopes will be joined by China, officials said.

China, which did not attend the Kuala Lumpur conference, has in the past participated in IPPNW meetings as an observer, although the body hopes it will eventually decide to become an affiliate.

"We would like to formulate an initiative for a series of meetings starting with a dialogue on the tension of the nuclear issue in the region," said Sidel, although nothing substantial was discussed in the first trilateral meeting.

Japan was selected as coordinator by the IPPNW for further meetings and is planning a second, with the Chinese side present, sometime this fall either in Beijing or Hiroshima, said Kenjiro Yokoro, president of the Japanese Physicians for the Prevention of Nuclear War. One of the topics the IPPNW hopes will be taken up by the four nations is establishing a northeast Asian nuclear-free zone which its members advocate.

Delegates to the Kuala Lumpur conference issued a declaration urging the end of nuclear weapons and expressed sadness that so little has been done for nuclear disarmament despite the end of the Cold War.

They also called for the nuclear Nonproliferation Treaty expiring next year to be extended for a limited period of five to 10 years with further extensions, which will contain "transparent" steps toward total disarmament.

They also urged the United Nations to conclude a nuclear weapons convention by 2000 under which all nations agree to abolish such arms and for governments to petition the world court to rule as illegal the use of nuclear arms before the upcoming Sept. 20 deadline.

CPC Plans Official Delegation to DPRK in Aug

OW1008102194 Tokyo MAINICHI SHIMBUN in Japanese 10 Aug 94 Morning Edition p 7

[By correspondent Toshiichiro Amiya]

[Text] Beijing, 9 Aug—The CPC will send an official delegation to North Korea in late August for the first time since President Kim Il-song died. The CPC is believed to be sending the official delegation in an attempt to show both at home and abroad that, the Chinese Government supports both nominally and virtually the transfer of power from late President Kim Il-song to Secretary Kim Chong-il.

This was disclosed on 9 August by Li Shuzheng, head of the CPC International Liaison Department, during a meeting with a Liberal Democratic Party delegation led by Taku Yamasaki. During the meeting, Li Shuzheng said: "The CPC and the Workers' Party of Korea exchange visits four times a year. China will send an official delegation to North Korea in late August as the third exchange of visits between the two parties."

As to the question of when the official delegation will visit North Korea, a diplomatic source in Beijing said: "The establishment of a new North Korean leadership led by Secretary Kim Chong-il will be formally announced before or after 15 August, which falls on the day marking the 1945 Liberation of Korea. In response, China will perhaps send an official delegation to North Korea as the first foreign delegation to that country, for the political effect of holding talks with Kim Chong-il."

Japan

Woolsey Remarks Cited on DPRK Issue in Report

OW1008051294 Tokyo KYODO in English 0411 GMT 10 Aug 94

[Text] Washington, Aug. 9 KYODO—North Korean political and economic reforms under Kim Chong-il could take about five years because of opposition from communist hard-liners, U.S. intelligence officials suggested in a Senate report released Tuesday [9 August].

The report of the Jan. 25 hearing of the Senate Select Committee on Intelligence (SSCI) also indicated the ability to provide a warning of war in Korea is made difficult by Pyongyang's military disposition and militaristic society.

Tuesday's SSCI release was a summary of remarks made by Central Intelligence Agency (CIA) Director James Woolsey and Defense Intelligence Agency (DIA) Director Lt. Gen. James Clapper, Jr. and responses to follow-up questions by the committee.

The DIA suggested that North Korean stability in the event of President Kim Il-song's death depended upon his son Kim Chong-il's ability to maintain a balance between the elder generation of revolutionary hardliners and the more pragmatic thinking of younger technocrats. Kim died on July 8 before the report was released.

The DIA added that the younger Kim would not be able to bring about "significant economic and political reform until (Kim Il- song's) first-generation revolutionaries are gone from the political scene, about five years from now."

The political survival of Kim Chong-il would likely depend upon his ability to manage "a surge of popular protests and demands" for reforms, said the DIA, which did not rule out a possible military coup against Kim since he is "less respected by the military than is his father."

The CIA suggested that "a military successor regime would almost certainly be totalitarian and dictatorial... [ellipses as received] Greater democracy for North Korea under such a regime would not be in the cards."

The DIA said that "Pyongyang will continue its nuclear weapon program despite any agreements it signs to the contrary."

And with negotiators meeting in Geneva for high-level talks between the U.S. and North Korea, the report remarks that "Pyongyang clearly has been attempting to exploit its nuclear threat to gain concessions on a variety of issues in discussions with (South Korea) and United States."

The DIA said North Korea's forward deployment of forces and the ongoing diversion of civilian economic assets to the military make it difficult for the U.S. intelligence to warn of war on the peninsula.

"The intelligence community is unable to decipher North Korea's political intentions because of a paucity of reliable human sources and a lack of insight into the political decision-making process in North Korea.

"Pyongyang's large standing army and tenuous political situation make the possibility of war on the peninsula real," the DIA told the committee.

Ozawa Meets UN Envoy Owada To Discuss UNSC Seat

OW1008112794 Tokyo SHUKAN DAIYAMONDO in Japanese 13 Aug 94 p 15

[Text] Ichiro Ozawa, whose influence seems to have somewhat diminished with the inauguration of the Murayama government, quietly visited New York on 24 July.

The purpose of his visit was to give a speech in Washington D.C., and his stay in New York was a short one, two days and one night. But this over-night visit was not merely to "recover from jet lag." According to a concerned source, Ozawa had a chat with Japan's Permanent Representative to the United Nations Hisashi Owada.

Ozawa does not see eye to eye with Takakazu Kuriyama, Japanese ambassador to the United States, but is very intimate with Owada. Adding this background to the differences of view between Owada and Kuriyama, it is certain Ozawa's foreign policy and UN strategy were discussed in depth at the Ozawa-Owada meeting.

As for the issue of becoming a permanent member of the United Nations Security Council [UNSC], Ozawa takes a position of restraint. In contrast, however, Owada declared in a recent speech at the United Nations: "Japan wishes to become a permanent member of the UNSC." Their opinions thus appear to be completely opposite, but some consider "in fact, they boil down to the same thing."

This is because Ozawa's true intention is that Japan should attempt to become a permanent UNSC member after it resolves the question of making "international contributions," which he has advocated. If that is the case, the Foreign Ministry would be all for it.

The Japanese UN mission (in New York) had a bitter experience when Prime Minister Morihiro Hosokawa made a comment which sounded like a Zen question and answer, when he said: "Japan should wait to become a permanent UNSC member until after the United Nations has made organizational reforms." As a result, other nations made fun of Japan, questioning whether or not "Japan really wants to become a permanent UNSC member."

Ever since then, the UN mission has been unhappy with the government. Today, at a time when the Murayama government's course is not firmly set, the outcome of the Ozawa-Owada meeting weighs on everyone's mind.

Debate on Budget Cut for U.S. Forces Continues

ASAHI SHIMBUN Article

OW1008074994 Tokyo ASAHI SHIMBUN in Japanese 9 Aug 94 Morning Edition p 2

[Text] Japan's share in the expenses incurred by U.S. Forces Japan [USFJ] has become a focal issue in the defense budget request for FY 1995 to be submitted by the end of August.

After the record low budget request ceiling of 0.9 percent was set, the Defense Agency [DA] declared that "USFJ expenses will also be considered for spending cuts" (DA Director General Tokuichiro Tamazawa). It is now considering deferring part of the Japanese payments.

Needless to say, one aspect of this is a "subtle power play" resulting from the Foreign Ministry's concern that "this may interrupt Japan-U.S. security ties," and the Social Democratic Party of Japan's [SDPJ] determination to reduce defense appropriations. This tug-of-war on USFJ expenditures is expected to drag on until the budget bill is compiled by the end of this year.

On 8 August, Shigeru Hatakeyama, DA vice minister, told Admiral Richard Macke, commander of U.S. Pacific Forces who was paying a courtesy visit to the DA upon assumption of his new post: "Various reports have appeared in the mass media. However, nothing has been decided yet." Hatakeyama brought up the issue of USFJ expenditures without being asked to give the above explanation. He probably wanted to seize the initiative because Tamazawa's statement has created an unexpected stir.

The reason behind the DA's idea of considering a reduction of appropriations for the USFJ is: While wages alone will take up 100 billion yen of the FY 1995 defense budget, and the "sympathy budget" [omoiyari yosan] based on a special agreement between Japan and the United States is also expected to increase by around 30 billion yen, the overall increase in the defense budget will only be some 40 billion yen with a budget request ceiling of 0.9 percent. The DA has a tight budget. Therefore, "USFJ expenditures cannot be an exception at a time when all budget spending, including training expenses and appropriations for projects to appease residents near military bases, are being considered for reduction" (according to a top DA official).

The DA is presently thinking of the following ways to reduce additional payments in FY 1995 for USFJ expenditures based on the special agreement: 1) Postponing such payments from April 1995 to October 1995, the start of the U.S. fiscal year; and 2) carrying over part of such payments to FY 1996.

However, the Foreign Ministry and other quarters are against such spending cuts because "this may have a negative effect on Japan-U.S. security ties, which have remained stable amid the turbulence resulting from economic friction." This is perhaps the reason why Deputy Prime Minister and Foreign Minister Yohei Kono particularly emphasized "maintaining" the Japanese share in USFJ expenses during his meeting with the USFJ commander on 5 August.

Undoubtedly, the DA is aware of the fact there is opposition to the spending cut. A senior DA official said: "The United States is also aware that spending cuts in the budget request are a different thing from the actual budget." It seems that the DA's move is meant to pose the question: "When you talk about short-term budget cuts, Japan's share in USFJ expenditures will also have to be reduced. Are we prepared to do this on pain of damaging Japan-U.S. relations?" (according to a senior DA official) This is more of a step to preclude any further move from the SDPJ to reduce even the 0.9 percent ceiling during the actual compilation of the budget by the end of 1994.

In any case, if a cut in USFJ spending is incorporated in the budget request, a heated debate is bound to occur among the government and ruling parties when the budget is compiled toward the end of the year. Prime Minister Tomiichi Murayama's position of "maintaining the Japan-U.S. Security Pact" on the one hand, and supporting "disarmament" on the other may then be questioned.

NIHON KEIZAI SHIMBUN Article

OW1008043294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Aug 94 Morning Edition p 2

[Text] The Defense Agency [DA] plans to make substantial cuts in new payments to support U.S. Forces stationed in Japan, which will total around 30 billion yen, in its budget request to be submitted by the end of this month. This is because retrenching training exercises by the Self-Defense Forces [SDF] and reducing expenses to appease residents around military bases alone will not be enough to cut spending in line with the record low ceiling of 0.9 percent on the increase in defense appropriations.

However, there are also dissenting opinions within the government because an actual reduction in U.S. Forces Japan-related spending may have a major impact on Japan-U.S. relations. This problem is expected to remain a focal issue until the budget's actual compilation by the end of 1994.

According to a special agreement between Japan and the United States, Japan will begin paying 100 percent of certain expenses incurred by the U.S. Forces in Japan, such as salaries for civilian employees and fuel and utilities expenses, beginning in FY 1995.

The DA estimated a natural increase of 130 billion yen in its FY 1995 spending over that of the previous fiscal year, including additional expenditures for U.S. Forces Japan, and intends to ask for a 2.8 percent ceiling for increasing its budget request.

Since this ceiling has been set at 0.9 percent (an increase of around 43.3 billion yen), the DA has been considering the following measures to cover the shortfall of around 80 billion yen: 1) reducing fuel expenses and cutting back large-scale exercises; 2) retrenching expenses to appease residents around military bases; and 3) holding down new recruitments to the current level.

However, even the above measures have limited effectiveness. Therefore, the DA has decided that "all areas have to be considered [for spending cuts]," and that it will have to ask for a reduction in new payments for the U.S. Forces in Japan.

Nevertheless, some officials in the government and the ruling parties have proposed requesting the full amount of U.S. Forces Japan-related spending in the budget requests by channeling a portion of defense spending to other ministries under the "various adjustment mechanisms" previously agreed upon by the ruling coalition parties. If a solution is not found by the time budget requests are presented, further efforts at adjustment will be made when the government budget bill is compiled by the end of 1994. It is said that in the end, Japan will be "shouldering the full amount."

U.S. Urged To Continue Funding 'Hibakusha' Study

OW0908222094 Tokyo YOMIURI SHIMBUN in Japanese 8 Aug 94 Morning Edition p 3

[Editorial: "Operation of Radiation Research Institutions Must Be Reviewed"]

[Text] The Radiation Effects Research Foundation in Hiroshima has been facing a crisis since the U.S. Government, which has been paying half of its operating budget, unilaterally announced a drastic cut in its funding. The foundation conducts research and tracks the health of people who were affected by the atomic bombs that were dropped on Hiroshima and Nagasaki.

The United States has cited financial austerity and the yen's appreciation against the dollar as reasons for the funding cutback. The Governments of Japan and the United States are urged to settle the problem so the foundation can continue its important work.

About 1,300,000 people in Hiroshima and another 70,000 in Nagasaki were victims of the devastating explosions and radiation resulting from the bombing of Hiroshima on 6 August, 1945 and Nagasaki three days later.

What makes the tragedy so compelling is the long-lasting effects of radiation. Research tracking those who were exposed to the "death ashes"—the source of radiation that floated in the air—has been important scientific work for almost 50 years.

The U.S. Atomic Bomb Casualty Commission (ABCC) was established in March 1947, but was reorganized as the foundation in April 1975. Under official documents exchanged between the two nations at the time, the foundation has been operated with both governments splitting the costs and dispatching the same number of directors, expert trustees, and auditors.

The pillar of the foundation's operation is research on the health and life span of 12,000 "hibakusha" (A-bombing victims) and nonhibakusha. In addition, it has accumulated a large amount of data on pathology, genetics, and cytogenetics.

The foundation has produced results showing that: 1) The risk of cancer was high among those who were young and who were exposed to a large amount of radiation; and 2) there has been no hereditary effect on the children of those who were exposed to the A-bomb attacks in terms of the development or incidence of cancer. It should not be forgotten that behind these results is the cooperation many hibakusha have extended to researchers over many years.

In addition, the foundation has been offering its data to help establish limits on X-ray dosage and to evaluate traditional world safety standards, at the request of an international panel. It also extended cooperation to a survey on the Chernobyl nuclear power plant accident.

Japan and the United States were scheduled to equally share the foundation's 4.35 billion yen budget for the current fiscal year. The United States, however, has unilaterally cut its share of the budget to $18 million (about 1.8 billion yen).

The United States subsequently proposed to increase the amount by $2 million after the funding cutback alarmed international researchers.

If the Japan-U.S. equal sharing rule is applied, the foundation's budget for the present fiscal year would amount to a total of about 4 billion yen, or 350 million yen short of the initial budget. The budget policy for the foundation in the next fiscal year and beyond remains unclear, placing the foundation in a difficult position.

It will take another 30 years of research to fully understand the effects on those exposed to radiation from the bombings. Japan and the United States must continue this vital work. They should review the agreement between the two countries, decide anew on the budget, and seek stable management of research.

At the same time, the foundation should take a new look at its structure including a cut in the number of personnel, and implement effective research management. It should also study the possibility of raising funds itself or asking various organizations for assistance.

The light shed by research into the effects and suffering from the atomic bombings—the first and hopefully the last in the history of mankind—must not be extinguished.

Hashimoto Interviewed on Trade Talks, Economy

OW0908080494

[Editorial Report] Tokyo ASAHI Newstar Television Network in Japanese at 1107 GMT on 7 August, in its regular "Sunday Project" newsmagazine program, carries a live 31-minute interview with Ryutaro Hashimoto, minister of international trade and industry [MITI], by political commentator Soichiro Tahara at the ASAHI studio in Tokyo.

Hashimoto is first asked if he was ever offered a nomination as candidate for prime minister before the Liberal Democratic Party decided to form a coalition with the Social Democratic Party of Japan and Sakigake [Harbinger]. Hashimoto admits there were unofficial offers but he turned them down because he wanted everything to be open and aboveboard. He refuses to confirm or deny whether Shinseito Secretary General Ichiro Ozawa made an offer directly or indirectly.

Asked to comment on what is the greatest positive trait of the Murayama administration at 1110 GMT, Hashimoto says without hesitation that it is Prime Minister Tomiichi Murayama's personal character. He praises Murayama profusely and expresses his personal gratitude for Murayama's performance at the Naples Summit, including his summit talks with U.S. President Bill Clinton, which, he says, proved to the world that there was no discord between the leaders of the three coalition parties. He also relates that, "When I heard the United States said at a briefing after the bilateral summit meeting] that: We think the [Murayama administration is a government worth talking to, I was really relieved."

At 1113 GMT, discussing recent moves by various parties to form a new grand party, Hashimoto predicts a period of multiparty cross alliances to continue for some time, and says he sees no need to take hasty—and sometimes, arbitrary—steps to form a two-party system.

Hashimoto starts to talk about economic recovery at 1118 GMT. He admits that the Japanese economy has indeed taken the "first step" in its recovery, but states that there are still a number of factors of uncertainty, particularly the rapid appreciation of the yen. He says the government intends to do all that is possible within the limited budget to help small businesses suffering from the strong yen. He points out that, according to the Ministry of International Trade and Industry's survey, businesses do not have that much of a need for operational funds. "From now on, the ministry's role is more of supplying capital or ideas, or offering tax incentives to companies trying to engage in new business operations or to enter new business areas."

Regarding the issue of additional public investment, Hashimoto says at 1124 GMT that a considerable portion of the original allocation of 430 trillion yen for the public investment program has been depleted. Therefore, as a matter of course, "The overall scale has to be expanded, and there has to be efforts to come up with new investment projects. I believe there has to be both a qualitative and a quantitative expansion." He reveals that he has already asked Finance Ministry officials informally to start deliberations on this after budget requests are presented by the end of August. He also mentions the U.S. concept of an information superhighway to illustrate his point that new concepts need to be included in any future public investment programs for Japan to keep abreast of international trends.

Turning to the Japan-U.S. economic framework talks at 1126 GMT, Hashimoto first stresses that he does not think of the government procurement negotiations as having collapsed because both sides have agreed not to set a deadline for the negotiations, and Japan believes the talks will continue. Tahara points out that the prevailing public opinion seems to be that the negotiations should not be left to the bureaucrats, and it is time to make a political decision. Hashimoto is asked whether such a political decision is forthcoming. He says: "Come September, there will be a chance for politicians to talk. However, it remains a fact that neither bureaucrats nor politicians can engage in discussions that are against the rules."

At 1128 GMT, Tahara says that Japanese bureaucrats seem to think that even on pain of facing U.S. sanctions by the end of September, Japan needs to stand firm on its principles. Hashimoto comments: "I can understand why the bureaucrats think that...but we think we need to talk to prevent the collapse of the negotiations. We will have to see how far each side is willing to compromise. If the United States has no intention to make any concession at all, there can be no negotiation. We intend to exert utmost efforts within the time allowed."

At 1129 GMT, international politics specialist Yoichi Masuzoe joins the discussion to suggest that the government make the political decision to engage in radical deregulation and mass procurement of U.S. products, even allowing some measure of managed trade, as a means to break the impasse in Japan-U.S. talks. Hashimoto replies that he cannot reveal the negotiating position of Japan before negotiations actually take place.

Political commentator Minoru Morita suggests at 1132 GMT that MITI promotes desalination of sea water as a long-term measure to resolve the problem of water shortages, and work on a solution to the anticipated shortage of technicians in the future. Hashimoto agrees that desalination is a worthwhile project, and adds that water leakage, which stands at more than 10 percent of purified water, is another serious problem that can be considered for possible public investment.

The interview ends at 1138 GMT.

Toyota Considers Making Hilux Trucks in U.S.

OW1008014694 Tokyo KYODO in English 0102 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—Toyota Motor Corp., Japan's leading automaker, is considering manufacturing its "Hilux" trucks for the U.S. market in the United States instead of in Japan, a company official said Wednesday [10 August].

The company could transfer all its manufacturing operations to New United Motor Manufacturing Inc., a joint venture established with General Motors Corp. of the U.S., he said.

"We haven't decided on anything concrete yet, but the transfer could be made around January next year," the official said.

He said the move is partly prompted by the wish to remain competitive amid the yen's appreciation and the 25 percent import tariffs imposed by the U.S. on commercial vehicles.

Toyota started making the Hilux line of small trucks in 1991. Production rose 54.2 percent to 116,000 in 1993.

Toyota Motor Begins Importing U.S. Sheet Glass

OW1008034094 Tokyo KYODO in English 0201 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—Toyota Motor Corp., the top Japanese automaker, has started importing sheet glass from U.S. glassmaker Guardian Industries Corp., a Toyota official said Wednesday [10 August].

The purchase of the glass, to be used for the rear windows of Toyota's "Hiace" vans, is part of Toyota's plans to increase imports and local procurement worldwide, the official said.

In the business year ended in June, imports and local procurement rose 12.0 percent to 7.02 billion dollars, with purchases made in the United States accounting for 4.65 billion dollars.

Toyota plans to further boost overseas purchases to 6.45 billion dollars in the 1996 business year.

Under the plan, the company's joint venture with U.S. auto giant General Motors Corp., New United Motor Manufacturing Inc., already buys glass from U.S. Libbey-Owens-Ford Co. for its passenger cars, recreational vehicles and small-sized trucks.

Japan Tipped as APEC Meeting Site in 1995

OW1008103694 Tokyo KYODO in English 1019 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—An informal gathering of leaders from member countries of the Asia-Pacific Economic Cooperation (APEC) forum will be held in Japan next year, a senior indonesian official said Wednesday [10 August].

"The third (APEC meeting) is going to be in Japan next year," Kartasasmita Ginanjar, minister of state for national development planning, told reporters in Tokyo. Ginanjar, who is visiting Japan as a special envoy of Indonesian President Suharto, made the remarks after meeting earlier In the day with Prime Minister Tomiichi Murayama.

He said he secured the Japanese leader's cooperation to ensure a successful conclusion of the second APEC leaders' informal economic meeting, to be held on Nov. 15 in Bogor, Indonesia. Osaka has been vying to play host to the subsequent informal summit meeting. If an official decision is made to that effect, Murayama is expected to issue invitations when he attends the Bogor meeting.

Meanwhile, Bintoro Tjokroamidjojo [name as received], special assistant to Suharto for preparation of the next APEC gathering, confirmed that it will be preceded by an APEC ministerial meeting on Nov. 11-12 in Jakarta.

Singapore Economic Strategy Excludes Tokyo

OW0108144794 Tokyo SHUKAN DAIYAMONDO in Japanese 16 Jul 94 pp 42-45

[Article by "international analyst" Fred Yoshino: "Singapore's Design for a U.S.-China-Chinese Economic Sphere Seeks 'Japan's Exclusion'"]

[Text] I heard a story. Three Chinese, one from Hong Kong, one from Taiwan, and one from Singapore went on a trip together.

The travelers from Hong Kong and Taiwan sighed on their return, saying, "I have had enough of traveling with him," because the man from Singapore pushed himself forward and tried to have his own way at every opportunity.

They are proud people, boasting that "we are Singaporeans rather than Chinese." They praise themselves openly for their safe, clean, green city-state with its high standard of living. They are intoxicated with the success of the highly developed, dictatorial society that Senior Minister Lee Kwan Yew has built.

Economically speaking, Singapore has grown to be the third richest Asian country (the fourth, if Hong Kong is included) with a per capita GNP of $16,400, after Japan and oil-rich Burunei. In ASEAN, it rules as the leading power. Propelled by the emergence of China, the big power, it has been self-assertive, casting a contemptuous look at the stagnant Japanese economy.

In fact, at the Second World Overseas Chinese Conference, which was held in Hong Kong in November 1993, Lee Kwan Yew, the senior minister of Singapore, called for a plan for establishing a Chinese network (relationship) and positive investment in China and played the defacto role of top leader. In the background are Hong Kong's reversion to China (1997) and the conflict between Taiwan and China, but for Chinese, Singapore's existence is indispensable as a binding agent with China.

On the other hand, China is also making warm overtures to Singapore. A country that adopts a dictatorial-style political system and strictly suppresses human rights and expression, but is advancing extremely effective economic development is the ideal model for China. It has even had Singapore take charge of urban construction in the Suzhou District. If this succeeds, they plan to expand the concept throughout China. Since Deng Shao Ping and Lee Kwan Yew are in the lead, it is highly possible that this concept, which may be called the "Singaporization of China," will be realized.

The influence on China by Singapore, which shares culture and language with China, is great. Moreover, because Singaporeans are fluent in English and are thoroughly familiar with Western business and law, their influence also reaches the United States. Also, because Senior Minister Lee has an intimate relationship with Kissinger and enjoys the respect of the U.S. business sector, Singapore mediates American economic advancement in China, while insisting on an extension of MFN (most favored nation status) to China and non-intervention on human rights issues.

While marshalling the business talent of the Chinese people, Singapore will induce U.S. capital and technology to enter China. Its aim is to become the merchant-banker for China and to build an Asian economic sphere dominated by the United States-China-and [Overseas] Chinese, under Singaporean management.

Singapore Intends To Control U.S. And Chinese Economic Spheres

Why has Singapore started to employ such an ambitious strategy?

The reason is that the restrictive conditions for growth have been increasingly noticeable. To begin with, in addition to possessing an extremely small domestic market with a population of under 3 million people, the high-tech software and financial industries have reached maturity and are at a plateau. Moreover, the drive to catch up by neighboring developing countries is only getting stronger.

So, in order to break out of this situation, Singapore has come up with a "go regional" concept, aiming at the expansion of business opportunities with China, India, Vietnam, and so on. The locomotive is the government because most of Singapore's powerful industries are nationally run. In other words, this concept is promoted as national policy.

In post-Cold War Asia, three powers, the United States, China, and Japan, are struggling to achieve non-hegemonistic growth. In one of these corners, Singapore has been inserting itself through the use of its diplomatic skills and it is trying to take Japan's place. Already, Japan is far behind Singapore when it comes to having a voice in the world. Japan's inferior English-language skill may be part of the problem, but the greatest cause is that there are no opinion leaders in Japan who can match those of China, Europe, and the United States.

Incidentally, in the 2 March 1993 issue of "Asia Newsweek," there was a special article entitled: "New Thinkers—Asian Thinking That Challenges the World." In that article, besides those of Lee Kwan Yew and Mahathir (Malaysian prime minister) in the 1980s, names such as Mabbani [name as published] (permanent secretary in the Foreign Ministry) and Tommy Koh (roving ambassador/Policy Research Institute director), of Singapore are mentioned. But there are no Japanese names. Essentially, with the backing of its economic power, Japan should be in a position to speak for Asia. But only its deference toward the United States stands out, and it is given low marks in Asia.

But Singapore deals with the United States in a self-confident manner. The United States, led by President Clinton and an extensively mobilized mass media, tried to pepper Singapore with criticism for "disregard of human rights and cruel treatment," when it handed down the caning sentence in the "Michael Fay incident." But Lee Kwan Yew did not budge.

Instead, he counterattacked, saying: "Thus we maintain public security in our country. Before the United States starts meddling in the domestic affairs of other countries, why doesn't it reflect on the unstable security in its own country where innocent Japanese students are murdered by car thieves?"

The United States loudly advocates "developed country-level working conditions and securing workers rights" and thus, tries to thwart the current of post-Uruguay Round trade liberalization in GATT. Lee criticizes the selfishness of the United States, which seems to have forgotten its own past maintenance of a slave system and says: "It is unfair pressure. In the stages of economic development, there are orders of priorities." In the background of the U.S. decision to extend MFN to China, Singaporean influence is felt.

The two countries exchange sharp criticism, but there is a reservoir of good will toward Singapore in the United States. A typical example is the move to bring Singapore and South Korea into NAFTA (North American Free Trade Agreement).

Prime Minister Goh Chok Tong (Singapore), who is well disposed to the United States, expressed his welcome to this "expanded NAFTA" concept—possibly a "shifting" away from Japan—last May. At the same time, he did not forget to add that "the door should be opened to other Asian countries as well." The Singaporeans seem eager to establish a contact point with the United States as the representative of Asia.

Senior Minister Lee Kwan Yew Managed World Economists Conference

In May 1994, the World Economists Conference, organized by the Asia Society of the United States, was held in Singapore. Addressing participating prime ministers and cabinet ministers from the Asia and Pacific countries, Prime Minister Goh restrained European and American moves tilting toward protectionism by declaring that "if the EU [European Union] and NAFTA try to be exclusive, Asia is also prepared to form an economic block."

As for the "one-sided" comments by Europe and the United States— which attempt to include a stipulation of workers' rights, a minimum wage system, and so on in GATT—he retaliated by saying that "it is nothing but a false charge arising from their effort to thwart rising Asian competition." And he emphasized that "Asia is achieving economic success through Asian methods."

Such a strong claim of Asiaism was in vivid contrast to the Japanese, who only talked of macroeconomics throughout. Bank of Tokyo Chairman Toyoo Gyoten, Mitsubishi Corporation Executive Makoto Kuroda, and other prominent men from the business sector participated. Compared to the Asian countries, from which cabinet members attended, however, the Japanese presence was not conspicuous. An atmosphere filled the air in the hall to the effect that "the Japanese era is over. From now on, Chinese and China will rule Asia."

However inconspicuous the presence of Japan may have been, Singapore still would not relax its guard. At the conference, Senior Minister Lee Kwan Yew stated that "Japanese politics are at a crossroads. The non-LDP forces of the younger generation have come into power. But Prime Minister Tsutomu Hata, who represents the young generation, declared his intention to change the Japanese peace constitution in order to enable the use of its sovereign rights to ensure collective security. This is the argument Ichiro Ozawa, who is behind Hata, has been advocating all along as the way to become a "normal country. But if the "normal country" Japan were to arm with nuclear weapons for defense against other nuclear-possessing countries, then it will be a reversal in (history).

Since 1945, the basic U.S. policy to protect its ally, Japan, under the nuclear umbrella has been supported by all East Asians. If even a slight hint appears that this nuclear umbrella is not completely reliable, Japan will go forward with building its own comprehensive defense capability."

This is an unusually indirect expression for Lee, but, in essence, he is apprehensive about Japan becoming a military power. This apprehension is commonly held by Asian countries and, moreover, is deeply rooted. Even when a prime minister from the SDPJ takes office, this apprehension will not go away quickly. As long as this fear is present, the tendency to keep Japan at a distance or to exclude it will not change. Lee is keeping Japan in check so as to remain under the protection of the United states.

As for China's increase of military power, Lee is trying to put on restraints. To eliminate uncertainty in the neighboring Southeast Asian countries, he demands that China abandon its expansionist ambitions, as seen in the case of the Spratley Islands, and asks China to build friendly relations. To realize this, he asks that China make its defense purposes and capabilities transparent (public).

As for China, it keeps insisting that it responds in the same manner toward big powers and small countries alike and would never seek hegemony. But the mistrust of neighboring countries is deep-rooted. Recently, in Medan, Indonesia, antagonism toward local ethnic Chinese developed into a riot. When the Chinese spokesman made a comment that sounded as if it was domestic intervention, Lee criticized this as "unwelcome meddling."

He will not hesitate to cooperate on the economy, but he will firmly resist the military threat. As a Chinese and as the leader of Singapore, which has achieved remarkable economic development, Lee has dignity and honor that stand out vividly.

He keeps Japan under the U.S. umbrella and copes with China's reckless drive for expansion with U.S. backing. On the other hand, responding to U.S. pressure on "human rights," he deals with it by waving a card called the "China market." Lee's skill reminds us of Metternich, the able Austrian prime minister of the early 19th century, who demonstrated diplomatic skill against the neighboring powers.

Naturally, he does not forget to show his concern for the Asian countries. Addressing the apprehension of the Phillipines and Indonesia, for instance, which fear that capital from Chinese in their countries might flow out as investment in China, he encourages them to call for investment from China, in reverse. And he admonishes the ethnic Chinese that an "ethnic Chinese's loyalty should be first to his country of birth, not to China, the country of his ancestors." (The Second World Overseas Chinese Conference)

Further, Singapore is now palpitating with anticipation at the chance of making a great leap. On 1 January 1996, GATT will be reborn as the WTO (World Trade Organization). Singapore's name is raised as a leading candidate for its headquarters. Of the world's three major economic organizations, the headquarters of the IMF and the World Bank are in Washington D.C., the U.S. capital. If Singapore is selected for the headquarters of the remaining organization, the country's international position cannot help but be raised, as a mecca of free trade.

Winning Order for the Suzhou Development Project Advances "Singaporization" of China

Lee Kwan Yew's strategy is, while making the United States, China, and Japan check each other, to create the most advantageous situation for Southeast Asia and Singapore, in particular. A scenario for creation of the Asian economic sphere, in which China, the United States, and ethnic Chinese act in concert, with Singaporean "management," is seen as the extended line of his strategy. Here the role Japan would play is very minor. The signs are already evident.

Last June, President Clinton made the decision to separate MFN extension and the human rights issue. Dazzled by the "cash card" called the "China market," the U.S. Government has de facto shelved the human rights issue. Taking advantage of this course change, the advance into China by U.S. capital firms, such as ATT, IBM, Boeing, and so on, has rapidly accelerated, overwhelming Japan today.

As for China, the recipient there is a strong friendly feeling toward the United States at the people's level in spite of ideological opposition, and the automobile industry, for instance, is sending warm overtures to the United States, while remaining cool to Japanese entry. The recent big hit T.V. drama called "A Beijing Native in New York," which describes a young man from Beijing who becomes successful in the United States, is indicative of this mood.

My acquaintance, who is with a Japanese trading company in Shanghai, moans that the "[staff] will listen to orders and advice from an American superior, but will often resist them when they come from a Japanese." The degree of localization also influences feelings toward the Japanese. Unlike Japanese enterprises, U.S. enterprises progressively appoint Chinese (who have studied in the United States) as senior staff members.

Now that the thorn in the sides of the United States and China, the human rights issue, has been removed, the two countries' economic relationship is expected to advance by leaps and bounds. This is an unauspicious sign for Japan, but is extremely convenient for Singapore. Japan has made inroads in China on its own, but the U.S. enterprises have no choice but to rely on the bilingual ethnic Chinese of Singapore and Hong Kong, due to the alien language, culture, business customs, and so on.

On this point, the situation is the same for the country receiving the investment, China. Inevitably, great expectations are placed in the ethnic Chinese who understand Western law, accounting standards, management methods and so on.

But, why Singapore Chinese? The Overseas Chinese in Hong Kong and in other parts of Asia, who are skilled agents at the individual level, are great at mediating at the enterprise level, such as joint ventures, but only the Singaporeans possess the know-how and experience to effectively manage large-scale projects at the governmental level, such as city/province.

In the late 1970's, Deng Xiaoping established special economic zones, copied after Hong Kong, in South China, such as in Shenzhen, and launched Chinese economic reform and liberalization. And this time, he began the city planning in Suzhou following the Singaporean model. If the former is a small-scale experiment with manufacturing mainly for export in special districts, as was Dejima in the days of the late Tokugawa period, the latter Suzchou development project can be characterized as comprehensive city planning with the central part of China as the stage.

Singapore obtained the order for this giant project. And this is only the beginning. If it is successful, the plan is to expand into other regions. For Singapore, it is as if it has fit its homemade MPU [main processing unit] into the mammoth computer called China. The country's ardor is high.

The Suzhou development concept is to construct a large industrial park, with a total space of 7,000 hectares, and last February, China and Singapore signed the final agreement. The total cost of the undertaking is assumed to be about 2 trillion yen. In addition to hardware, Singapore will primarily supply the software for city management, capital management, and economic development. As Deputy Prime Minister Lee Hsien Loong (of Singapore) states: "Most of the investment is expected from overseas business," the land and labor is from China, the capital is from overseas, and the ideas will come from Singapore.

According to Senior Minister Lee Kwan Yew, this concept was triggered when "Deng Xiaoping made an inspection trip of Singapore in 1978; he was impressed by its nation-building and decided to use it as the model for his own country's development."

At the World Economists Conference, Senior Minister Lee passionately talked about his aspiration that "in five years, (our country's) Jurong Industrial Park will be reproduced in Suzhou, and in 10 years, similar projects will be developed not only in China, but also in many places in Vietnam."

At one time in Asia, the "Look East Policy" that Malaysia called for, to learn from Japan and South Korea, was circulated. From now on, however, it appears that the "Singapore model" will become the password for Asia.

The World Bank made theoretical calculations in its 1993 report concluding that "if the 'Chinese Economic Sphere' of China, Hong Kong, and Taiwan grows at the same speed as it has in the past 30 years, (annual rate of 7.3 percent), in the year 2002, total production in the area will reach $9.8 trillion." It means that in less than 10 years, an economic sphere that is twice as big as Japan and exceeds that of the United States will emerge. When the ASEAN honor student, Singapore, and other Overseas Chinese-controlled economic spheres are added to this, the scale of Chinese power will become incredible.

As the brain for this greater China sphere, Singapore is steadily solidifying its ground. It will surpass Japan and seize the leadership of the growth center. At the World Economists Conference, one could even sense that in the background of the strategy, there was a joint operation by Kissinger, who dislikes Japan and tilts to China, Lee Kwan Yew, and Deng Xiaoping.

Japan Urgently Needs To Build a Strategy Toward Asia

At present, there is no sign that Japan and Chinese power have entered into a full-scale economic war in Asia. But it is a natural consequence that a clash of interests will occur when both sides' territories for undertakings keep expanding. It is unavoidable that sooner or later a situation of dangerous confrontation will arise. In distribution, communication, monetary markets, and so on, severe competition has already begun.

What should Japan attempt to do to get ready for that day? After the final party for the World Economists Conference, a high-ranking Indonesian official, whom I know well, whispered to me: "To counter China-Chinese power, why couldn't the island nations of Japan, Indonesia, the Philippines, and Taiwan, which have been increasingly leaning toward becoming independent, unite? This way, geographically as well, we could hold them in check. If South Korea were also added, we could become quite a rival force."

Indonesia and Philippines' reactions are cool to the greater Chinese economic sphere concept. In those countries, antagonism toward Chinese is strong because the Chinese control the domestic economy, although they are a small minority population. Thus such a geopolitical concept must emerge.

Gerald Segal, chief of the International Institute for Strategic Studies in Great Britain, makes a similar proposal and also suggests that "[Japan should] take advantage of Chinese regionalism, which contains the possibility of a split (cooperation with the Northeast region such as Dairen)" (according to the 1 June 1994 issue of "Global Business").

In Japan, however, the political struggle continues and, at the national level, a strategy toward Asia is missing. Moreover, the Japanese are not at all skillful in strategic bargaining. So, I think that the best way is to continue promotion, more than ever, of grass-roots type cooperation, which is suited to the Japanese character. Aggressive economic control, which might recall old wounds from the war, is not a good policy.

The total-participation "TQC" [total quality control] movement that Japanese enterprises are known for and family-oriented management are well received in Asia also. In the Philippines, Japanese enterprise provides technical guidance even for non- employees. Such associations should deepen true cooperation with the Asian people and, hence, contribute to Japan.

Not only through capital assistance such as ODA [Official Development Assistance] and technology transfer, but if mature and retired technical experts go over to Asia as a second workplace, to teach and share their experiences, then the bonds of mutual trust will become even stronger. If Singapore is to fight with its brain, shouldn't Japan expand its network in Asia with its heart?

Reports on Government Support for Industries

Cable-TV Project Subsidized

OW1008093894 Tokyo KYODO in English 0852 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—The Posts and Telecommunications Ministry will financially support a joint scheme by the government and private sector to digitalize cable-television services in Japan, ministry officials said Wednesday [10 August].

The proposed digitalization will feature both broadcasting and telecommunications services, a function unprecedented in Japan, the officials said, noting it is expected to accelerate the advent of a multimedia society.

The ministry will request several hundred million yen in the fiscal 1995 budget to finance construction of necessary cable-tv facilities and development of application software, the officials said, adding the subsidy will cover one-fourth of the cost. A government-private "third sector" entity in charge of the project will be designated, the officials said.

Digitalization of broadcasting services is expected to facilitate information processing, expansion of available channels and connection with computers and other media.

The posts ministry has proposed placing all kinds of broadcasting—cable tv, satellite broadcasting and broadcasting via earth stations—under digital formats. The proposed digital cable- tv services will include video-on-demand services, the officials said.

As the scheme will involve both broadcasting and telecommunications services, a prospective third-sector entity must obtain licenses both as a cable tv operator and a common carrier.

The telecommunications council, an advisory body to the posts minister, has proposed the spread of digital cable-tv services toward the next century, touting them as a key infrastructure for a nationwide optical-fiber telecom network.

Energy Resource R&D Supported

OW1008082494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Aug 94 Evening Edition p 1

[Text] The Science and Technology Agency [STA] will inaugurate a new system to support programs on new energy resources including waste heat and under-utilized energy. Both research and development [R&D] and application technologies will be included in the programs for support.

The agency will continue the policy line of emphasizing the area of nuclear power such as recycling of nuclear fuel, but in light of the fact that public interest in new energy resources is rising, a revision will be given to the current policy on energy development which tends to overemphasize the use of nuclear power. At present, the agency is finalizing specific subjects for R&D programs to be supported, and, once the subjects are decided, funds for support will be incorporated into the agency's budgetary request.

The agency wants to create a new framework for R&D on new energy resources in the existing framework of science and technology promotion program expenses—a category of expenses intended specifically for the R&D programs, the social needs for which are high—and intends to use this framework of funds in supporting human-life-needs-related science and technology programs. One of the subjects for R&D projects being considered is "super-heat pumps" which will be capable of collecting heat from city waste heat as well as sea water with high efficiency.

In the area of application technology, the agency will use the services of the Research Development Corporation of Japan, which has a system of entrusting private corporations to do studies on applications.

The person who instructed providing support to the R&D on recyclable energy resources other than nuclear power was STA Director-General Makiko Tanaka, who was named to her post at the end of June.

When public hearings were held to hear views on long-term plans on development and applications of nuclear power recently, many who spoke expressed views that emphasis also should be given to the study of such non-nuclear energy resources as solar energy.

PRC Auto Market Guide Published

OW1008062994 Tokyo KYODO in English 0529 GMT 10 Aug 94

["News Focus" by Keiji Urakami]

[Text] Tokyo, Aug. 10 KYODO—A recently published guidebook on China's car industry is drawing a strong response from Japanese companies aiming to tap into the world's largest potential auto market.

The Central Japan Industrial Association, an auxiliary organ of the Ministry of International Trade and Industry (MITI), published the book, entitled "all about the Chinese auto industry," last month.

"The book is intended not only for Japanese automakers looking for ways to launch joint ventures in China but for potential investors in need of systematic information on the car business in China," a spokesman at the MITI-affiliated organ said.

Of the limited edition of 300 copies, 250 sold in the first 20 days, the spokesman said, citing orders from interests ranging from automakers, trading houses, think tanks and financial institutions to insurance companies, universities and the U.S. Embassy in Japan.

"This is the first guidebook in Japan to cover all aspects of the Chinese car business," said an official at the Japan External Trade Organization's China Division.

Compiled under the supervision of the China Development Institute, a Beijing-based think tank, the guidebook boasts that it collected the most updated information on the Chinese car market and clarified Beijing's basic auto policy.

"The book was written in response to increasing inquiries by Japanese companies on the possibility of engaging in the car business in China," the spokesman at the MITI organ said, noting that half of the 1,000 member firms of the organ are directly or indirectly related to automobiles.

"Many of the companies have no knowledge about where the factories of prospective Chinese partners are located," the spokesman said.

Passenger car production in China totaled 225,000 vehicles in 1993, a 45-fold jump from around 5,000 produced in 1985.

Car ownership in the country came to 8.3 million vehicles in 1993, up 20 percent from the preceding year and a sixfold increase from 1978.

The guidebook says the growth potential of the Chinese car market is the world's largest, with the total market expected to surpass that of the United States eventually.

In 1992, the Chinese Communist Party formalized a plan to make the auto industry a major pillar of China's economic development strategy toward the 21st century.

But the guidebook says the road to the goal is rough, citing various problems in the Chinese car industry ranging from excessive reliance on imports, a technological lag in automated manufacturing systems and slow moves toward an industry-wide division-of-labor system, to the fragility of the auto parts industry and the lack of experience in making passenger cars.

"Beijing is under pressure to drastically change its auto policy not only to address these problems but to respond to a new call under freer global trade rules," the book says.

It says China would have no option but to liberalize its car market in a departure from its long-cherished protectionist policy, if it is to be granted membership in the General Agreement on Tariffs and Trade (GATT).

On Japanese automakers' entry into the Chinese market, the guidebook says their operations in the country lag behind those of U.S. and European makers.

But the Chinese Government, in a bid to foster the domestic car industry, is stepping up partnerships with foreign companies through the formation of joint ventures, introduction of sophisticated technology and infusion of foreign capital, the book says.

"The move would increase the chances of new Japanese operations in the country," it says.

At present, Japan is the largest car exporter to China, with Japanese-made models rated highest among Chinese motorists in terms of performance.

But Beijing imposes an import ceiling on foreign-made cars including Japanese models, making Japanese operations in China unstable despite their product competitiveness. An all-out abolition of this ceiling is unlikely even if China joins GATT, the book says.

The guidebook thus advises potential investors in China to shift from exports of finished models to joint production with local concerns, especially local parts manufacturing.

U.S., German and South Korean automakers are laying the groundwork for launching parts production in China in line with Beijing's policy to nurture the domestic parts industry, while Japanese companies have no such plans in the immediate future, the guidebook says.

"China strongly needs Western cooperation, including that from Japan, both financially and technologically in fostering its car industry into one of the key Chinese industries," the book says.

"Japan stands the highest chance of winning the game against the U.S. and Europe if it meets Chinese needs adequately," it says.

BOJ: Economy 'Finally Headed for Recovery'

OW1008075294 Tokyo KYODO in English 0743 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—Japan's economy is finally headed for recovery with some indicators turning positive recently, Bank of Japan Governor Yasushi Mieno said Wednesday.

Mieno ruled out an immediate key rate cut at a regular press conference, saying, "our judgment on the economic situation remains unchanged after looking at several positive indicators." "Positive sides of hot summer factors on the economic recovery are stronger than negative ones," the central bank's chief said.

At the same time, Mieno pointed to the need to carefully watch developments in the currency market despite the yen's recent slight setback against the dollar. As capital spending and employment remain sluggish, the central bank will continue checking the sustainability carefully and the pace of economic recovery, Mieno said. "Since great demand for summer goods because of the intense heat is a temporary phenomenon, we cannot make merry about it," he said.

Mieno said he does not think there is a big difference in judging the economic situation between the central bank and the government. Mieno denied observations that the central bank has taken a stronger stance in judgment of economic conditions to thwart calls for a cut in the official discount rate, saying, "it is putting the cart before the horse to show our judgment in line with the already determined specific policy."

Asked about the impact of recently higher short-and long-term interest rates on the economy, Mieno said the rates show fluctuations and will converge at a level reflecting the real economic situation in the long run.

Deregulation Expected To Boost Industrial Output

OW0808113194 Tokyo YOMIURI SHIMBUN in Japanese 7 Aug 94 Morning Edition p 7

[Text] The Japan General Research Institute [JGRI] (president: Mikio Wakatsuki) projected on 6 August that the real growth in industrial output under the present regulated economic system would average 1.4 percent annually from 1993 to 2000, and the figure represents a sharp drop from the annual average of 3.8 percent during the seven years from 1986 to 1992. The Japan General Research Institute also estimated that if the current regulated economic system was replaced with a market mechanism-based economic system, the real growth of all industrial output would increase to an annual average of 2.5 percent. The JGRI forecasted that if the current bureaucratic regulations are relaxed or abolished, the high-speed information and service industries would create a new 162 trillion yen demand and 2.4 million new jobs.

The JGRI made the estimate on the premise that, affected by the appreciated yen, the industrial "hollowing out" will continue at the same pace as it has since the 1985 Plaza Accord, and the economy will grow 2 percent every year.

The JGRI projected that under the "regulated economic system," public investment would amount to 530 trillion yen and the price differentials between Japan and other nations would be addressed only in goods, with the exceptions of food stuffs, water charges, and light-fuel expenses, over the 10 years following 1992. The JGRI predicted that over the next 10 years, the output of the manufacturing industry would drop and the industry would suffer a notable fall, while warning of massive unemployment.

The JGRI forecasted that if the bureaucratic regulations are thoroughly relaxed or abolished, the price differentials of goods and service between Japan and other nations would be addressed. The JGRI also analyzed that if the public investment is increased to 600 trillion yen in information-related industries under the "market mechanism-based economic system," the current Japanese industrial structure would shift to an industrial structure that consists mainly of electric machinery and Japanese industries would be able to maintain their competitiveness and growth.

Largest Stationary Satellite To Be Launched

OW0908234994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Aug 94 Morning Edition p 15

[Text] The National Space Development Agency of Japan [NASDA] will launch the H-2 rocket from the Tanega Space Center in Kagoshima Prefecture on 17 August to put a "two-ton technology experiment satellite 6-type" (ETS-6), the world's largest stationary satellite, into orbit. In a bid to prepare Japan for the multimedia era, NASDA plans to use the ETS-6 to undertake a variety of telecommunications experiments which include an experiment in high- speed and mass-capacity telecommunications and an experiment in intersatellite telecommunications. NASDA also plans to investigate to what extent telecommunications technology will be able to use satellite in the future. With the ETS-6 scheduled to be launched into orbit, Japan's development of satellites for telecommunications purposes will reach the world level.

The ETS-6 adopts a multibeam system that makes it possible for the ETS-6 to simultaneously use several micro beam-shaped radio waves when it communicates with ground telecommunications stations, and this is the main feature of the ETS-6. Compared to the single-beam system used by communications satellites including the CS-3, the multibeam system can develop high-speed and mass-capacity telecommunications because of its capacity to concentrate radio waves in a narrow beam. The single-beam system covers the entire Japanese archipelago with a single beam-shaped radio wave.

The Nippon Telegram and Telephone Corporation [NTT] will undertake telecommunications experiments between the ETS-6 and fixed ground telecommunications stations in four service regions including Kanto and Kansai after dividing the entire Japanese archipelago into 13 service regions from Hokkaido to Okinawa by using the radio wave frequency band called the Ka band. The multibeam system will bolster the radio wave strength of the ETS-6 to about 30 times that of the CS-3. The multibeam system will make it possible for the ETS-6 to send 156-megabit radio waves per second.

The radio wave to be used by the ETS-6 is comparable to that of the integrated service digital network (B-ISDN) operated by the NTT and equal to three channels of high-definition television. The United States used the multibeam system to experiment with telecommunications between ground stations and the satellite "ACTS" which it launched into orbit in September 1993, and the ETS-6 will conduct the second such telecommunications experiment.

Meanwhile, the mobile telecommunications network operated by the NTT has undertaken a mobile telecommunications experiment with the aim of providing a new telecommunications service to Japanese ships cruising within 200-mile of the coast of Japan. The NTT-operated mobile telecommunications network aims to use the radio wave frequency band called S band in five beams to provide the Japanese ships sailing within Japanese waters with the new telecommunications service. The radio wave is 30 times as powerful as that of the satellite used by Intelsat (the International Telecommunications Satellite Organization). Small boats like yachts can communicate by telephone if they equip themselves with simple communications gear.

To concentrate the radio wave beam on a certain spot, the satellite antenna must "double" its capacity as a reflector by expanding its diameter. The reception antenna of the ETS-6 measures 3.5 meters in diameter and it is more than ten times as wide as the single-beam CS-3 antenna.

If the antenna is further widened in the future, the efficiency of communications would be increased. The Post and Telecommunications Ministry and NASDA have a blueprint for putting a satellite with a big antenna measuring 10 meters in diameter into orbit. If the satellite is put into orbit, it would make it possible to build a telecommunications system under which owners of cellular telephoners can speak to each other all across Japan via the satellite.

Motorola, an American telephone company, has unveiled the Irijium [name as published) Plan which is designed to use 66 low-orbiting satellites to provide worldwide telephone service. The worldwide telephone service is expected to vie with a telephone service that Japan plans to launch by using the stationary satellite.

Ruling Parties To Reform State-Run Corporations

NIHON KEIZAI SHIMBUN Report

OW1008081494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Aug 94 Morning Edition p 1

[Text] The draft of a bill for reform of special status corporations being worked out by the administrative reform project team (chaired by Nagano, chairman of the Liberal Democratic Party's Research Commission on Public Administration and Finances), was revealed on 8 August. The draft bill proposes that out of 92 existing special status corporations: 1) 22 including Japan National Oil Corporation and Japan Development Bank be privatized; 2) three corporations including the Livestock Industry Promotion Corporation be abolished; and 3) 24 corporations including Japan National Railroad Settlement Corporation and Post Office Life Insurance and Annuities Welfare Corporation be scaled down or restructured.

The draft estimates these actions will bring about a saving of 1.7 trillion yen a (ordinary) year in government financial expenditures. The draft bill also proposes issuing new public bonds which can be changed for stocks of the privatized special status corporations when they become listed on the stock exchange market, and says revenues from issuing those bonds should be used as financial resources to improve social infrastructure for the forthcoming era of an aged population.

The draft was first drawn up by Shinto Sakigake [New Party Harbinger], and presented to the Liberal Democratic Party [LDP] and Social Democratic Party of Japan [SDPJ] at the 8 August meeting of the ruling parties' administrative reform project team. Sakigake insists drastic public administration and finance reform should precede a tax system reform that would include raising consumption tax, and wants to firm up a basic policy on this by the middle of September. But within the LDP and SDPJ, there are some who are strongly opposed to hasty reform of the special status corporations. Adjustments of views within the ruling parties on the matter, hence, will not be easy.

The draft bill says seven corporations including Japan Oil Corporation, Japan Development Bank, Central Bank for Commercial and Industrial Cooperatives, and Teito Rapid Transit Authority are the first group of corporations that should be privatized, and proposes this be done beginning in April 1996. Six corporations including Japan Highway Public Corporation and Housing Loan Corporation are the second group of corporations suggested for privatization, and the draft bill says their privatization should begin in April 1997 after a review period by related commissions.

The draft proposes reducing government ownership of Nippon Telegraph and Telephone Corporation's (NTT) stocks, as well as completely privatizing Japan Tobacco Inc. Sakigake's estimate suggests the government should be able to raise about 16 trillion yen in current value over the next 10-years from the privatization of the first and second groups of corporations, and from selling its shares of NTT and Japan Tobacco.

The three corporations recommended for abolition are Livestock Industry Promotion Corporation, Marine Credit Corporation, and Japan Raw Silk and Sugar Price Stabilization Agency. Also proposed are the scaling down of business of Japan National Railroad Settlement Corporation, and the transferring to local governments of Hokkaido- Tohoku Development Corporation and Okinawa Development Finance Corporation.

The draft bill predicts about 850 billion yen a (ordinary) year in operational profits by turning over revenues from selling stocks of privatized special corporations to the Public Bond Settlement Fund.

KYODO Report

OW0908124394 Tokyo KYODO in English 1231 GMT 9 Aug 94

[Text] Tokyo, Aug. 9 KYODO—A project team of the ruling coalition parties studying administrative reforms will propose privatization of 13 of 92 government-financed special corporations and liquidation of three others, informed sources said Tuesday [9 August].

The sources said the companies to be put on a privatization list include Japan Development Bank, the Teito Rapid Transit Authority, which runs a subway network in the Tokyo area, Japan Highway Public Corp. and Japan National Oil Corp. The three corporations subject to liquidation will be Maritime Credit Corp., Livestock Industry Promotion Corp. and the Japan Raw Silk and Sugar Price Stabilization Agency, they said. The panel will also propose that 31 other corporations, including Forest Development Corp. and Coal Mine Damage Corp., be reorganized into 14 entities, the sources said.

They said the reorganization would help reduce government expenditures by 1.7 trillion yen annually. Moreover, the sources said the privatization of the 13 corporations will bring in an additional 16 trillion yen in sales proceeds over 10 years, in addition to the proceeds from the two firms already privatized—Nippon Telegraph and Telephone Corp. and Japan Tobacco Inc.

The program by the New Party Sakigake (Harbinger) has been presented for review to two other ruling partners, the Social Democratic Party (SDP) and the Liberal Democratic Party (LDP), the sources said. They anticipate rough sailing since the LDP, with its deep links with corporations, and trade unions, the main support groups for the SDP, are expected to put up strong resistance.

The project team considers it possible to privatize seven of the 13 corporations, including Japan Development Bank, Japan National Oil Corp. and the Teito Rapid Transit Authority, as of April 1996, the sources said. The remaining six, including Japan Highway Public Corp., Housing and Urban Development Corp. and Housing Loan Corp., would be privatized in April 1997 after a one-year study by governmental councils, they said.

The draft program calls for the government to sell its share holdings in NTT, beginning in fiscal 1995, to reduce its stake in the firm to 20 percent from the present 33 percent, they said. The government will see additional income through sales of shares in Japan Tobacco, which goes public in October, the sources said.

* Preparing for Election Under Old, New Systems

942B0114A Tokyo YOMIURI SHIMBUN in Japanese 4, 5, 7, 9, 10 Jun 94—FOR OFFICIAL USE ONLY

[Article in five installments by political reporters Masaaki Hamada, Koichi Akaza, Shuzo Kono, Akinori

Uchida, and Kazuma Yoshida: "The Front Line of Confused Political Situation"]

[4 Jun 94 p 2]

[Text] **Preparing for Both "Multi-Seat" and "Single-Seat" Constituency Systems: Requesting Support Outside of the Constituency**

Will there be either a general resignation of the cabinet or dissolution of the House of Representatives and general election? In case of general election, which system will be taken, the current multi-seat constituency system or a single-seat constituency with a proportional representation system...? Under the Hata administration, a minority coalition government, the political situation is falling deeper into confusion, and the poor visibility of the central political sector is having an effect all over Japan. We have investigated the political situation which has been swayed by the movement on the front line.

"Election should not be done under the old system, but the future is unpredictable. I will run for the election (regardless of the single-seat constituency system or the multi-seat constituency system.)"

These are Mr. Kijuro Sugawara's words, who, although being a nonaffiliated incumbent, was defeated in the general election last July in the Iwate Second region, where the quorum was reduced. Judging that the next election would be under the new system, he joined Shinseito (Japan Renewal Party) in April. He has brought in his supporters' association to help organize the party, fully intending to run in the election as a Shinseito endorsed candidate, or a coalition government's candidate. However, he would have to compete with Ichiro Ozawa, secretary general of Shinseito, should the election be conducted under the multi-seat constituency system. Since it would be difficult for him to be elected unless Ozawa lets him have some of his votes, facing "the election, which is to be the last challenge and a do-or-die situation" (Mr. Sugawara), he cannot hide his worried look.

The coalition government policy is to prevent a nonconfidence motion against the cabinet from being brought forward by restraining the LDP and the Social Democratic Party of Japan [SDPJ], telling them that "the election under the multi-seat constituency system would ruin the political reform." However, aside from their policy, there are only "some among new Dietmen in the ruling party" (ruling party source) who are not trying to prepare for "both the multi-seat and single-seat constituency systems," regardless of whether they are incumbents, new politicians, or those who are trying to make a come back.

Mr. Akira Nishino, a former member of the prefectural assembly who is planning to run in the Osaka region as a candidate from Shinseito, is no exception. He changed his campaign strategy, which focused on the supposed constituency under the new election system, in middle of May after the Hata cabinet was formed. He has begun to appeal to local assemblymen and dormant supporters outside the constituency. The supporters association members' bus tour planned for the middle of June was extended to members of the expanded area to cover the multi-seat constituency. This is because "apart from the rights and the wrongs of the case, my guess would be a toss-up for the multi-seat constituency and the single-seat constituency" (Mr. Nishino).

Gunma prefecture's Mr. Akira Sasagawa, who belongs to the ruling party's faction "Kaishin [innovation]," also, is requesting his supporters outside the expected single-seat constituency where he would be running under the new system to "keep the same relationship with him." While in the single-seat constituency, he is conducting a direct mail campaign appealing that "we cannot leave the national politics to those from bureaucracy who do not have a good knowledge of real situation of the local community," with his opponent incumbent in mind. In the evening of the 3 [June], he told at the meeting in Ota City that he "would like to maintain and value the ties with people," requesting the support in case of election under the multi-seat constituency system.

The movement of the LDP, which is planning to demand the Hata cabinet to resign in early stage and to have early election, is complex, also. At the Watanabe faction's meeting on 2 [June], chairman of the faction Mr. Michio Watanabe made an appeal saying, "Since we do not know which system will be taken, we will just have to be prepared for both multi-seat and single-seat constituency systems. We must win the election by all means either way."

Recently, because of the SDPJ's breakaway, the coalition is having difficulty coming up with jointly supported candidates. There are some who agrees that "an increasing number of LDP members feel that the single-seat constituency system is more beneficial" (an executive of Komeito). However, the fact is that "for the time being, we need to observe the situation to see how it will change" (an executive of LDP Obuchi faction).

Tetsuo Kondo, a Dietman from Yamagata First district, assuming the single-seat constituency, has expanded his office in Yonezawa City, which is the center of the "new constituency" and moved his residential registration from Yamagata to Yonezawa this spring. This explains why Mr. Yonezawa says that "it was because of the support of the people of Yonezawa that he was able to gain votes in Yamagata. He is originally from Yonezawa." He is planning to make up the loss in Yamagata in case of an election under the multi-seat constituency system.

The SDPJ "official policy is for the election under the multi-seat constituency system" (DSP source). Its Tokushima headquarters, which decided in last April's Party rally, the establishment of a "constituency committee" in every single-seat constituency in the prefecture to select candidates. In May, it decided on the policy to give its top priority to selecting candidates to cope with the multi-seat constituency system. However, because they needed to wait for the answer to the party's request for voluntary general resignation of the cabinet and also they did not want to be accused of trying to ruin the political reform, no decision has been made yet.

The conflict between the ruling party and opposition parties seem to be escalating toward the end of the session of the Diet, and we can make no guess about the future progress. The confusion seems to be spreading to local areas, and under the political situation, which involves the election, politicians are forced to prepare for the both systems until the last minute.

[5 Jun 94 p 2]

[Text] **Suspicion in the New System: Broken Promises and Unsettled Course of Action Cause Confusion**

The LDP Nagano prefectural assembly rally was held in Matsumoto City on 28 May, which was attended by the Party President Mr. Kono himself. The prefectural assembly's concern is increasing because of the inauguration of Prime Minister Hata (Shinseito [Japn Renewal Party]), who is the first prime minister from Nagano. It invited many others besides representatives, and as a result, the number of the participants increased by seven times that of the usual to 7,000.

At the rally, one of the executives from the group Mr. Hajime Ogawa (a member of the House of Representatives from the Nagano Third district and a member of Miyazawa faction) muttered the following with displeased look.

"How could we think of a barter deal, under the circumstances?"

This was because there were some members from Ogawa's hometown Suwa City among the participants in the group of Sohei Miyashita, a former Defence Agency director (Mitsuzuka faction).

Mr. Ogawa and Mr. Miyashita are said to have made a barter agreement in order to cope with the single-seat constituency system which is to be implemented. In the Ina district, where Mr. Miyashita is from, Mr. Ogawa's supporters are to support Mr. Miyashita, and in the Suwa district, where the supporters of Mr. Miyashita are to support Mr. Ogawa.

However, the Ogawa's side says that although Mr. Ogawa only invited his anticipated supporters under the single-seat constituency system, Mr. Miyashita gave invitation to the entire current multi-seat constituencies.

Because the possibility of an election under the multi-seat constituency system has arose, "coexistence and coprosperity" principle within the party has changed suddenly, and it could cause a crack.

In the LDP, the party leader Mr. Kono has declared to bring forward a nonconfidence motion after the FY94 budget's coming into force. However, there are those among the faction leaders, such as Michio Watanabe, former vice prime minister, who strongly insist that it is too early for that. There are differences in opinions concerning the political reform and the resolution to release Mr. Keiwa Okuda from chairman of House of Representatives Standing Committee on Rules and Administration could not get approval of the SDPJ and is still pending. These contribute to the real situation where the strategy of calling for a nonconfidence vote in the cabinet and forcing the cabinet to resign are questionable, and the central headquarters cannot present a definite policy.

For the SDPJ, which wants to come back to power, just as the LDP is trying to win back power, the next general election is going to be a crucial turning point. Since the breakaway from the coalition, the SDPJ has frozen the preparation for an election under the single-seat constituency system in its local organizations and is shifting to preparation in anticipation of an election under the multi-seat constituency system.

"We don't know whether it will be multi-seat or single-seat constituency system. But, since the political situation is like this now, we need to decide our candidates soon."

At the SDPJ Kumamoto Prefecture headquarter executive committee meeting, on 3 June, General Secretary Mr. Hatsuo Yamashita implied the party's "shift to the multi-seat constituency." In Kumamoto, which is the hometown of former prime minister Hosokawa, the JNP's popularity is deep-rooted. The SDPJ cannot overlook the LDP's real power, either. Undoubtedly, for the SDPJ, the multi-seat constituency system is more advantageous than the single-seat constituency system. It seems that SDPJ "is hoping to increase its number in the last election under the multi-seat constituency system, and then face the new system."

Under these circumstances, there are some who insist on supporting Noboru Baba, former general secretary of the party headquarters who lost in the last election, as their endorsed candidate. There are other cases besides Kumamoto, where the party invites veteran politicians who lost in prior elections.

However, most of these politicians, including Mr. Baba, have been away from political activities, and their possibility of winning is uncertain, even under the multi-seat constituency system. The problem of the SDPJ is that it cannot see a picture of "the multi-seat constituency system equals regaining of power."

The Japanese Communist Party likewise is being swayed in between the new and the old systems. In March, it set forth a policy to focus on proportional [representation system] election under the new system, saying "it will be difficult to gain seats in single-seat constituencies" (Chairman Fuwa). However, as soon as the political situation became tense, it instructed its organizations nationwide to select candidates assuming the multi-seat constituency.

As a result, in Fukuoka Prefecture, Mr. Hisashi Miura, who had once declared his resignation, declared his candidacy from Fukuoka Fourth district. There are also cases where it had to change lecturers from a single-seat constituency candidate to a multi-seat constituency candidate in a hurry, but it could not change the posters in time. There is confusion due to this sudden policy change.

Everyone is groping in the dark. For the parties, the trial may last for a while.

[7 Jun 94 p 2]

[Text] **Continued Breaks in Election Cooperation: Immobile Mediator Organization, Parties are Confused**

Kaya City is located on the Osumi peninsula in Kagoshima Prefecture. The mayoral election conducted on 15 May in this town of 78,000 people was affected directly by the squeal of the confused political situation.

"Please recommend and support Mr. Arikawa in the mayoral election."

It was 25 April when General Secretary Hiroshi Aoki of the SDPJ Prefectural Headquarters requested the support for Seiji Arikawa, former member of SDPJ House of Representative, in the coalition's Kagoshima Prefectural liaison Council (which consists of the SDPJ, Shinseito, Komeito, the JNP, and the DSP.) It was the same day when Mr. Hata was appointed prime minister in the Diet, with the support from former coalition parties, including the SDPJ.

However, the SDPJ that opposed the establishment of "Kaishin" faction made up of House of Representative members decided to secede from the coalition government in the morning of 26th. The violent shock of the political situation spread to the mayoral election in Kyushu; as a result, the four parties except the SDPJ decided on "self vote," and Mr. Arikawa was defeated overwhelmingly by a candidate endorsed by the LDP who won by a great margin of 9,000 votes.

"The election was turned into a confrontation between the conservative and the reformist," Mr. Arikawa analyzes the cause of his defeat. In order for the SDPJ to win in a conservative constituency where the LDP power is still solid, "the LDP versus coalition" pattern is essential. This mayoral election has proved this. Also, under the new system, mainly the single-seat constituency system, in which candidates compete for one seat, will be applied. It became very clear that the main problem for the government party and the SDPJ is going to be how to create that pattern.

The liaison council, which is to be a mediator among parties of the coalition government, has since stopped its function. On the other hand, the SDPJ Prefectural Headquarters has not made a final decision whether to stay or secede. Other parties of the coalition disagree among themselves about "whether to let Shinseito continue or not without the SDPJ" (prefectural government personnel). Each party is being swayed, with the implementation of single-seat constituency near at hand.

The similar situation can be seen in Ishikawa Prefecture where the former all coalition government party worked together to defeat the LDP endorsed candidate.

"The framework in the central government has changed, and the decision on whether to cooperate with the rest of the coalition parties or not in the election is pending (postponed.)"

Chairman Ken Ikeda of the SDPJ Ishikawa Prefecture headquarters spoke thus immediately after the party's breakaway from the coalition and indicated the the headquarters' intention to reconsider whether to cooperate in local and national elections with the coalition, even though an agreement to mutually cooperate was already made in the coalition's Ishikawa Prefecture liaison council (consisted of the SDPJ, Shinseito, Komeito, and the DSP).

With the victory in the gubernatorial as a springboard, promoting strong cooperation in elections...was the liaison council's plan. However, that plan is at a deadlock. On the other hand, contrary to Chairman Ikeda's statement, it is said that "the majority think that in case of an election under the single-seat constituency system, the SDPJ should confront the LDP using the former coalition framework" (prefecture government personnel). It seems that they are at a loss, not being able to agree among themselves about this problem.

Among the former coalition's liaison organizations which were established or were almost established in prefectures after the start of the Hosokawa coalition administration, there are many that stopped or froze their activities due to the SDPJ's breakaway. In addition to Kagoshima and Ishikawa, there are Tochigi, Gifu, and Nara, for example, to mention a few. In Gunma, the SDPJ prefecture headquarters resigned from the liaison organization.

However, including the ones that resigned, both the coalition and the SDPJ parties say that they "have the desire to get together with the non-LDP parties" (Gunma Prefecture government personnel) in national and local elections. The general trend is to watch the central government for the time being. Needless to say that the trend is influenced by the opinion that the next House of Representatives election may be carried out under the current multi-seat constituency system.

As for the Rengo (Shaminren = United Social Democratic Party [USDP]), which is under the situation where the SDPJ and DSP have been divided into the government and opposition parties, on a local level, there is a trend to "want to be the glue for the former coalition parties" (USDP Okayama). On the other hand, some want to just observe the central government saying that "we are used to political confusions. It will not do any good if we run about in confusion" (USDP Iwate).

It is certain that in the whirlwind of the political reform, the confusion in the central government is casting a serious shadow on the flow of the reform in local governments.

[9 Jun 94 p 2]

[Text] **Each Party's Internal Contradiction Expands: Local Organizations "Rebel" One After Another**

The Central Committee meeting was held at the SDPJ headquarters in Miyakezaka, Tokyo, on 29 May. Daikichi Ishibashi, a member of House of Representatives, who was from Shimane Prefecture where internal struggle had been continuing, snapped at the administration.

Following is the paraphrase of what he said.

"Prefecture headquarters is in the state of breakup. How much more should the situation deteriorate before the party headquarters will seriously begin to normalize the situation?"

In the Shimane headquarters, the leftist group monopolized the administration, shutting out the rightist group November 1993. Moreover, in April, it decided on a policy not to approve sending of delegates to the prefectural headquarters conference from the branches which had less than 20 party members, thus tightening a stranglehold on the rightist group. Because of this, the rightist group declared the establishment of "the legitimate prefectural headquarters" to set itself for confrontation with the leftist group.

The party headquarter has sent its Organization Director Hajime Fukada to Shimane and postponed its prefectural headquarter conference scheduled for May by one month, frantically trying to deal with the problem. However, the contentions of the leftist group and the rightist still remain parallel to each other.

Clearly, this conflict is rooted in the traditional line struggle between the leftist and the rightist. At the same time, it cannot be denied that the struggle has a new aspect that it concerns the fact that the SDPJ has been repeatedly giving concessions concerning its political policies in the political reform, rice, and consumption tax issues following its historical decision to join the coalition government.

The conflict is having a lull right now because of the party's breakaway from the ruling coalition. However, it is likely that it will flare up again concerning the conference to consider returning to the coalition, which is expected to be established after the FY94 budget is passed in the House of Representatives on 8 [June].

The internal struggle of the SDPJ Hyogo Prefectural Headquarters (chairman: Akitsugu Motooka, a member of House of Councilors) is even more serious. The rightist executive office expelled 969 leftist members of the party on the pretext that their party dues were overdue. To this, the leftist group reacted and paid off their six month due in the sum of approximately 4.5 million yen to the party headquarters directly.

The leftist group is not planning to support the rightist candidates, such as Mr. Motooka, in either House of Representatives or House of Councilors elections, and it is inevitable that the candidates will be forced to have a tough game by the breakup of their party's lower organization. This explains why some say that "the rightist group is eager for promotion of political reform because they cannot rely on the leftist group in the party and they are forced to look into cooperating with other parties in the election."

The SDPJ is not the only party that is suffering from internal struggle.

The Japan New Party, which has lost seven of its House of Representatives by resignation since May, is in crisis due to rebellion in their local branches.

In Kanagawa Prefecture where the JNP's prefectural branch was established only on 4 April, they are in the situation where "the door is open, but practically no business is done within" because of the resignation of the chairman, Akio Nakashima, House of Representatives member on 18 April. Kyoto branch also proposed three suggestions, including cancellation of "Kaishin," a unified House of Representatives faction, and thorough enforcement of democratic procedure, to Mr. Hosokawa.

The JNP Nara branch conducted a survey by questionnaire on about 200 party members and the supporters, calling in question "Representative Hosokawa's resignation" and "dissolution of 'Kaishin.'" In its national conference of representatives scheduled for the 11 [June], it plans to continue emphasizing that they "should remember their strong zeal they had at the beginning and make effort to regain the party's independence" based on the result of the survey.

In Yamanashi Prefecture, following the resignation of Sakihito Ozawa, House of Representatives member, most officers of the prefectural branch resigned from the party, and the organization has disintegrated in the air. The DSP also openly criticized the party headquarters, saying that it "cannot understand the way the central headquarters is handling the situation." It is preparing to support Mr. Ozawa in the next House of Representatives election. Internal struggle is spreading to other parties of the coalition as well.

Even in Shinseito, which has boasted of its being a monolithic party under its Secretary General Ichiro Ozawa, its Nara Prefecture's liaison committee criticized the headquarters' political style, and at the same time, presented a statement of its view to demand the local representatives conference be held regularly. The party executives were flustered. Nara Prefecture's liaison committee is elated saying: "We were the first local organization to make such a move. We will encourage other prefectures to do the same" (an executive of the organization).

Liquidization of the central political sector, whose future is uncertain, is slowly casting shadows on the front line of each party.

[10 Jun 94 p 2]

[Text] **The LDP and Shinseito Scramble for Party Members**

"We have 5,000 party members right now in our organization. We want to increase it to 50,000 by next year's uniform local election,"...after the inaugural meeting of Shinseito Osaka prefectural assembly on 4 June, Mr. Kei Sato, chairman (also director of National Land Planning Agency) expressed his confidence. In the neighboring prefecture of Hyogo, Minister of Home Affairs Hajime Ishii of Shinseito, declared to about 3,000 people in the meeting to report his entry in to the cabinet held at a Osaka hotel on 4 June, their plan to split the LDP by saying, "The municipal and prefectural assembly members, who are our friends and are here today, presently belong to the LDP, but in the near future they may switch to Shinseito."

An LDP member of House of Representatives from Osaka, who heard about this, strongly resisted that "If we switch to Shinseito, we will not be accepted in the local area. It is not so easy to leave the LDP."

The LDP and Shinseito come from the same root. This contributes to the escalation of the "competition between the old and the new" in the political disorder in each region. Especially in "a conservative kingdom" of Iwate Prefecture, Shinseito secretary general's hometown, the competition is severe.

Since the beginning of April, a prefectural assembly member, Yoshimasa Yoshida (LDP), former member of House of Representatives, Kijuro Sugawara (independent) and another prefectural assembly member, Tadahisa Hasegawa (independent) have joined Shinseito, or expressed his intention to join the party. Shinseito has established city, town, and village branches in all areas of Iwate Second district, which is Mr. Ozawa's constituency. Itis also working to establish branches in the First district, and it plans to establish its prefectural branch federation (kenren) by middle of August [1994].

This affected the LDP greatly, and 18 branches in Iwate at one time, which is a third of the total number of its city, town, and village branches in the prefecture, dissolved or stopped to function. In 1993 alone, the membership decreased from 57,000 to 40,000. "Political ideologies and policies of the two parties are very similar, and reorganization is difficult. We need to upgrade both quality and quantity" (Tadashi Takahashi, Shinseito Iwate prefectural assembly administrative director). They are expressing their frustration.

"Existing parties" and "new parties" play wit matching wit tactics, concerning endorsement of candidates for the uniform local election and the next House of Representatives election.

In Hachioji, Tokyo, Teruhisa Ishiwatari, a former member of the House of Representatives, and Tamon Kobayashi, a prefectural assembly member, both from the LDP, have announced their candidacy in the single-seat constituency of the House of Representatives election. Cutting in to the attempt to unify both candidates, Shinseito has been rumored to be feeling out Mr. Kobayashi about standing as a candidate from Shinseito. Mr. Kobayashi himself has not denied this rumor. He said that he has "indirect contacts with parties other than the LDP."

On the other hand, in the areas of Ishimaki City, Miyagi Prefecture, the LDP, which lacks strong candidates, was said to have been sending "love calls" to Mr. Kimio Doi (Shinsei) and Mr. Jun Anju (Sakigake) who lost in the last year's House of Representatives election. But this plan was dropped since now that both Shinseito and Sakigake parties have established their local organizations, "it is no longer possible" (an executive of LDP Prefectural Federation).

If the House of Representatives election is conducted under the single-seat constituencies with a proportional representation system, "we cannot fight in the election without having local organizations" (Yohei Kono, LDP president).

Aside from "existing" versus "new" pattern, if we start candidate selection process within the coalition, "the strength of the party determines the influence" (Kenichiro Hatsumura, the JNP Organization Committee chairman). The competition in the local organizations is severe.

Jiyuto [Liberal Party] which was established only in April [1994] will establish prefectural headquarters in all regions where their seven members of House of Representatives are from. A New Party Mirai [Future] also will quickly organize its local organizations. This is the cause of uneasiness of the JNP, which has lost support substantially. Its local organizations are feeling restless. On the other hand, in Kyoto, as if corresponding to the movement of "the LDP and SDPJ Liaison" in the central political community, it is said that Naohiko Yamamoto, LDP Kyoto Prefectural Federation secretary general, and Isoo Tabuchi, SDPJ Prefectural Headquarters general secretary have been meeting occasionally and discussing about cooperating in elections, making the coalition parties all nervous.

The survival battles of parties and Dietmen continue without a navigational map in the stormy sea called political reform.

* Hosokawa Credited for Setting Future Reform

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[Article by Takeshi Sasaki, Tokyo University professor: "Rise and Fall of the Hosokawa Administration"]

[Text] *Although its actual performance might be disappointing, the [Hosokawa] administration marked a turning point by declaring here and abroad that the era of "reform" had arrived. Future administrations will not be able to deny the political symbolism of "reform."*

The rise and fall of the Hosokawa administration provided an excellent perspective for viewing the actual condition of the Japanese politics. The rise of this administration itself helped expose problems that had been obscured or hidden under the 1955 system; it prompted changes—or fueled breakups, to speak ill of it—in every corner, including not only the inner circles of the small political sector but also the mass media. Then, the administration's demise made the existing structure of each political party even shakier than before, ending the 1955 system decisively. The political party has retained its name, but it has either become devoid of substance or lost its former identities. The formation of the Hosokawa administration itself brought about a drastic change in the rules of the political game that had been played under the long reign of the Liberal Democratic Party [LDP]. But the administration's demise did not restore these old rules, but instead it created a bomb blast that might replace the players themselves. In commenting on the Hosokawa administration, therefore, we need to consider to what extent it is appropriate to discuss the success and failure of its particular policies. Here, an analytical approach itself seems to be the issue.

1. Political Reform: Its Extraordinary Gravity and Fundamentalism

On the Social Democratic Party of Japan [SDPJ] Being the Largest Among the Leading Parties

The change of political power that took place for the first time in several decades in Japan was prompted by a very unique issue, the political reform issue. "Exposition on the 'political reform administration'"—a statement of basic policies issued by the Japan New Party [JNP] and Sakigake in July 1993—clearly delineated this background and the fundamental mission of the Hosokawa administration. It contained specific tenets concerning a political reform bill as well as opinions on such issues as reform of the Diet and elimination of the close-knit relationship among politicians, bureaucrats, and business people. It stated that economic and other policy issues were to be examined at each party's consultative meetings. With "Articles of Agreement in Creating a Coalition Government" that were drawn up at the time of forming the coalition government, basic agreement was reached on the fundamental spirit of the administration. However, agreement was postponed on such specific issues as tax reform and the Uruguay Round. In terms of policies, the coalition government declared that it would stand on the same ground as the LDP administration, upholding the Constitution and protecting the free market economy. In this respect, it created a climate different from that of the LDP versus the SDPJ confrontation under the 1955 system, showing that future politics in Japan would deal with such issues as tax reform and the Uruguay Round by upholding these major principles rather than treating them as abstract concepts. This meant an establishment of a common ground conducive for concrete political discussion. But it also meant that unlike during the era of the 1955 system, an impetus for change was introduced to the political sector.

The coalition government was able to start with agreement on such inoffensive basic principles is not only because that was as far as it could go but also, more importantly, because such a nonpolicy issue as political reform had an extraordinary gravity. Both the common ground and the gravity of political reform were born out of the negative legacy of Japan's postwar politics. The Hosokawa administration was created with this negative legacy as its resource. And, here lay the administration's limit as well.

Yet, it was by no means easy for this political reform administration to materialize a political reform bill. The SDPJ, the largest among the parties in the coalition government, had to fight hardest throughout in creating its balance sheet. Its long-awaited chance to take power came along, but it did after the historic defeat. Therefore, the SDPJ was unable to take a leading role in creation of the new administration. On political reform, the SDPJ also had to accept the parallel system of election, which it used to oppose vehemently, creating difficult problems in coordinating within. Chairman Yamahana announced his resignation to take responsibility for the party's defeat in the general election and proposed to move up the schedule for election of a chairman and a party convention. All this seemed like his "making waves." As an executive of Shinseito commented (in the morning edition of ASAHI SHIMBUN on 20 August [1993]) by saying, "I can only hope that nothing strange will result from this," there was a growing movement of dissent within the SDPJ against the parallel system and its participation in the coalition government—a situation similar to what the Miyazawa cabinet experienced in dealing with a group within the LDP that opposed the parallel system. Tomiichi Murayama, current chairman [of the SDPJ], and Nosaka, current chairman of the party's Diet Policy Committee, were the leaders then of the "forum to promote true political reform," a gathering of cautious individuals. Those members of the House of Councilors who were to attract attention later by opposing political reform bills began their activities early by forming an "activist group to remake the SDPJ." Mr. Yamahana's "resignation and reelection" strategy became a complete fiasco; he had to give up his plan to run for reelection. As internal coordination of the party was in disarray, the due date for application for candidacy was postponed for another day. Mr. Kubo, Yamahana's successor, decided not to run for chairman. Then, with a condition that he would be able to support the parallel system, Mr. Murayama became a chairman. At that time, it was said that within the SDPJ "90 percent of the members were against the parallel system." Ironically, however, the bond between the "group that considers the party identity most important" and the "group that wants to promote restructuring of the political sector" was based on the "desire to preserve the coalition government." Furthermore, the SDPJ's organizational structure itself—where a regular party convention is the supreme decisionmaking apparatus and party members cast direct votes in selecting a chairman—became a major constraining factor in managing the coalition government.

Having the SDPJ like this as the largest among the leading parties did not make it easy to carry out political reform. Despite the effort by reform enthusiasts within the SDPJ, some LDP members hoped for a SDPJ's rebellion. Whenever the leading and opposition parties were to negotiate for a compromised plan, the SDPJ's move became a focus of attention. Also, behind all this was a network of human connections between the LDP and the SDPJ that had cultivated over years. The existence of dissenters within the LDP and the SDPJ as well as a possible alliance among these dissenters made it difficult to handle the issue [of political reform]. These dissenters always voiced the importance of an "anticorruption law," trying to postpone reform of the electoral system. At the time of voting during a plenary session of the House of Representatives in November, five Dietmen from the SDPJ casted dissenting votes against the government plan. Then, at the voting during a plenary session of the House of Councilors in January, many dissenting votes (17 in total, and three voters either abstained from voting or did not attend the session) were made by the SDPJ's Dietmen. As a result, the success or failure of the political reform bill itself became an issue. After a series of such tightrope acts as an unsuccessful joint conference of the two houses and a dramatic meeting between Hosokawa and Kono to reach a decision, enactment of a law on political reform finally seemed possible. It was hard labor, indeed.

A Major Undertaking Made Possible Only by Those Who Had "Nothing To Lose"

Enactment of the law on political reform was the biggest accomplishment of the Hosokawa administration. In light of the prevailing political condition in the past, this bill was an ambitious plan; it was a major undertaking. Criticism against the existing condition of politics never subsides in Japan, but the proportion of this reform was more than enough to quiet such criticism. Compared to the nature of this reform, public criticism against politics had been less radical because it voiced against the 1955 system but rested peacefully on it. This point was clearly evidenced by the hither and thither of the mass media right after the House of Councilors rejected the bill. The political reform bill clearly revealed the actual way of thinking and ideas that seemed to be against the 1955 system but in reality rested on it. It was an arduous task, requiring unavailing efforts, to raze down a mountain of opposing arguments into a single bill. It would have been utterly impossible to carry this out in a real political arena if everyone began to take sides according to the contents of each individual bill by saying, "I'm for that bill, but not this one."

This kind of taking sides was the mainstream in the debate of political reform in the past. To accomplish political reform required tenacious fundamentalism to rise above the mainstream and break away from the status quo. In other words, it required a group of politicians who would charge forward without thinking about their own interests. On the other hand, if the LDP and the SDPJ assumed leadership roles, the chance of accomplishing this reform could have been low. This point is evident in the experience we had in the past year. In fact, prior to the collapse of the Miyazawa administration, the majority of the citizens were quite pessimistic about a political reform bill. Subsequently, however, every time an opinion survey was taken, there was a steady increase in the number of people who became optimistic about passage of a reform bill. As far as the LDP and the SDPJ were concerned, although this might depend on the capability of each individual as politician, it was a matter of common sense that those who had so much to "lose" would be less likely to drum up courage to take a collective risk. That there are still quite a few Dietmen from these two parties who prefer election according to the old electoral system is a telling evidence supporting this point.

Here, Mr. Hosokawa's JNP was a completely new political party that had nothing to "lose." Also, as the JNP was called jokingly by some people as a "Hosokawa proprietorship," Mr. Hosokawa had all the conditions to push forward without worrying about his own party. In addition, as Mr. Hosokawa launched his political activity with "change" as his single slogan, political reform was critically important, and pursuit of this had a direct relationship with the stability of his political power. The almost abnormally high support ratings for him as prime minister provided an extremely favorable and necessary condition, albeit not a sufficient condition, for enactment of the law on political reform. After all, as long as the fight over this issue continued, the LDP and the SDPJ had to assume defensive roles. To give the bitter pill of a political reform bill to the followers of the 1955 system, the Hosokawa administration had to have tenacity as in the fundamentalist movement to push forward with political reform.

In a broader perspective, we must not ignore the fact that enactment of the law on political reform became possible with a looming backdrop of such pressing issues as the long-running economic slump and the inevitability of structural "reform" as well as the need to formulate a budget and to deal with Japan-U.S. economic relations in the short run. Like a single track railway, the Japanese politics had a significantly limited ability to solve problems. As it became well recognized that unless the political reform bill was dealt with first, nothing else would be resolved, the bill garnered a decisive support from the public at the end. In other words, faced with various domestic and foreign policy issues pending before them, politicians and political parties had to refrain from thinking of their own interests and strategies for the "national interest," if I may use an exaggerated expression. Those SDPJ Dietmen who attracted considerable attention a week prior to this tortuous political transformation by casting dissenting votes against the government-sponsored bill were demanded to assume responsibility for "corrupting" the bill; as a result, they exposed their lack of judgment on the overall trend in political movement.

After considering all these aspects, we come to understand that the enactment of the law on political reform was a culmination of the subjective condition of the Hosokawa administration's tenacity and the objective condition of the impasse felt—within and without—in the 1955 system, a gigantic system including the economy. Although it cannot be denied that the cause for political reform is rooted in the corruption issue, such criticism will only continue to derail efforts for reform or have a minor effect like a moxa treatment. Simply stated, only when people had an elevated sense of crisis and realized the limitation of the existing system, feeling that "we cannot go on like this any more," and when the LDP's long-held power actually ebbed, political reform finally began to manifest its shape as political and social reality. The seriousness of this feeling of limitation was evident in the fact that during its reign the LDP was the first party to speak of a drastic measure for political reform.

The assessment that "we cannot go on like this" arose from the problem of the relationship between politics and money, but more over, it also implied the issue of political skills. The latter issue was hard for the SDPJ and other opposition parties in the past to understand in real terms, and therefore they had a strong tendency to continue defining the political reform issue as the problem of the relationship between politics and money, resulting in a persistant imbalance of views among the political parties. For this reason, the change of political power provided the best and decisive opportunity in political learning to overcome this imbalance. The formation of the Hosokawa administration was quite important in changing the psychological makeup of the old opposition parties. During the deliberative process for the political reform bill, this administration fostered a great deal of common interest in the limitation of the existing system and the political skills; it in fact was able to narrowly achieve its objective in the area of the reform bill. In a sense, it was quite adept to combine the old opposition parties with the old Keiseikai group (now Shinseito), which apparently was most knowledgeable of political skills. The problem of the relationship between politics and money is still important. However, debate on political reform will produce only a quasi-permanent law that is devoid of any relationship to the actual political environment and policy agenda, as long as such debate continues to oversimplify the issue, like focusing on "whether the reform will make things less costly." The recent process of enacting the law on political reform showed the need to take Japan's political agenda and environment into consideration.

2. The "Structural Reform" Administration: The Gap Between Its Objectives and the Means To Achieve Them

Throwing the Ball Back to Government

A new political administration always tries to differentiate itself from the previous one. During the LDP's reign in the past, some tried to differentiate themselves in the policy area, but if that became impossible, they tried to attract attention by differentiating themselves in style and individual personality. However, the Hosokawa administration that was formed after the end of the LDP's reign for nearly 40 years stated on one hand that "it would continue the LDP's policy line," and declared on the other hand that it would devote much of its energy on "structural reform." The initial keynote address stated that the administration would have its base as the "political reform administration," and that it would make the following issues as its basic policy objectives: To "break up the close-knit relationship among politicians, bureaucrats, and businessmen," to "deregulate and distribute the benefits therefrom," and to "move toward a more consumer-oriented approach." In response to this keynote address, President Kono of the LDP said, "It doesn't sound very persuasive when the administration in pursuit of change continues to follow the LDP's policy line. They fail to show how they are going to be different and what kinds of changes they are going to make." In a sense, his comment is right.

However, by stating that it would continue the LDP's policy line, the administration in fact declared that it would not follow the SDPJ's line, particularly in such policy areas as diplomacy and the security treaty. Furthermore, it acknowledged its acceptance of the basic principles of freedom, especially in the economic area. Therefore, as seen during the debates on the issue of war responsibility, it was natural that the new administration and the LDP began to show differences in specific policy measures and direction. However, the distinguishing characteristic of the new administration was its focus on "structural reform"—political, administrative, and economic reform. This was not totally unrelated to policy measures, but it had more to do with changes in premises and framework for policymaking and implementation. For those who expected some immediate and practical measures in the new administration, this was a disappointment. However, once we realize that without "structural reform" Japan no longer had an ability to develop new and significant policy measures, the administration's choice seemed quite meaningful. As the choice was to reform the structure that supported the LDP and was created by it, it was superficial on the part of the LDP to comment on it by saying, "It lacks freshness." In this sense, President Kono's comment is not immune from being labeled as superficial, either. Upon the collapse of the long-held regime, it was quite natural for the new administration to plunge a scalpel into the structure created by the old political power. This choice was far more serious than that of revising individual policy measures.

The problem is in the methodology. In dealing with the reform issue in the past, the LDP's government formed a second temporary committee, and then created an "Economic Structural Adjustment Committee for International Cooperation." A focus of attention was on whether the Hosokawa administration would take a different method. In dealing with the issue of structural improvement of the Japanese economy, the administration created a "forum on economic reform," which began to formulate a new line of policy comparable to the earlier Maekawa reports. In the area of administrative reform, instead of creating a new deliberative body, it opted for creation of an agency for implementation and audit.

As far as deregulation measures were concerned, ministries and agencies submitted their lists first. These lists were not that great as reported as "Unwilling Ministries and Agencies Submit Lists of Insignificant Items" (per the morning edition of NIHON KEIZAI SHIMBUN on 1 September). In response to this, economic organizations and others voiced their criticism: "The lists contain mostly those items that already have some direction. Ministries and agencies didn't submit enough new items." Japan Federation of Economic Organizations [Keidanren] requested deregulation of 30 new items, focusing on distribution, agriculture, and communications. With prodding from the Prime Minister's Office, these items were added to the original draft, resulting in an extended series of battles at the "forum on economic reform."

The final report by the Third Ad Hoc Council on Administrative Reform in late October focused on decentralization and deregulation. It called for establishment of general principles to be used in enacting laws on decentralization and proposed immediate drafting of an action plan for deregulation. It also proposed measures to strengthen the cabinet's functions, such as creating an advisory system for the prime minister to bolster the premier's leadership.

The interim report issued in early November by the "forum on economic reform" had a major revision to the original draft, which had been labeled as a "typical writing by bureaucrats." The report advised major deregulation over five years and creation of an outside body to monitor the progress on deregulation. In response, it was decided to create a "headquarters to promote administrative reform" with the prime minister as its chief. In the meantime, there were ongoing major issues for policy change—the future of the GATT Uruguay Round and the issue of rice import—that symbolized the end of postwar politics. In parallel, tax reform and political reform became major points of contention. At the same time, deregulation and other economic reform measures drew attention from the United States and other countries, and their progress became the focus of international attention.

This series of "structural reform" issues not only magnified the "contention between public and private," but also meant that the ball was thrown back to politics because the situation reached its limit of adjustment without involvement of politics. This was a natural consequence because the government declared "structural reform" as an important agenda. The problem here was how the government side tried to catch the ball. In reality, being bogged down with the political reform issue, the political sector was not quite prepared to catch the ball. Of course, the cabinet should have been in a position to assume this duty. The prime minister, however, told a politician from a foreign country, "I feel that the expectation placed on me is like the one toward a revolutionary rather than a politician" (per the morning edition of NIHON KEIZAI SHIMBUN on 20 October [1993]). In fact, it is not strange for the person in charge to perceive the situation as "revolutionary" when his coalition government is inundated by a series of reform issues, including political reform, any one of which is difficult enough to be accomplished by one cabinet. In particular, the gloomy economic situation required far more timely responses than usual, but the political hurdle was too high even for tax reform. Furthermore, the leading coalition parties vacillated internally over the issue of partial opening of the market for imported rice. The SDPJ's attitude toward maintenance of the status quo in particular showed that the government was far removed from being able to support the administration's "structural reform" line.

"Reform" Can No Longer Be Denied

The strategy of catching the ball thrown back to the politics by first remodeling the political setup through political reform and then moving on to "structural reform" might only be possible on paper. In reality, however, political reform and "structural reform" need to be carried out on parallel at the same time—a delay in the former may have an adverse effect on the latter, but a success in the former cannot substitute the latter. Schematically speaking, discordance and contradiction became apparent between the objective of "structural reform" and the means to achieve it.

In other words, the politics in Japan began its own reform at last, and it was not ready yet to take the lead under the situation of "public and private conflict." Worse yet, however, the Japanese politics had a strong tendency for a long time to have its base in groups that benefited from regulation. Therefore, it was able to generate a group that opposed "structural reform," but by nature it lacked a strong condition for forming a group that supported "structural reform." So, unless this situation was corrected, it was not possible to form a driving force for reform. And, as the government response to the rice issue drove the antipolitical-reform camp within the SDPJ to strengthen its power, "structural reform" appeared to have created a bad influence on political reform.

Therefore, it was not easy for the "political reform administration" to transform itself into the "structural reform administration." There was a lack of condition for the "structural reform" issue to be supported by a broad political basis, and the "structural reform administration" was driven into a chronically overburdened state. Because of the lack of political support from the Diet, the issue of "structural reform" was gradually delegated to administrative branches, resulting in the so-called "rise of bureaucracy." Although the change of political power and the "going-off-stage" of zoku-Dietmen had a positive effect on overcoming the close-knit relationship among politicians, bureaucrats, and business people, they did not produce a new system to replace it, and in its vacuum the aforementioned phenomenon became pronounced. In any event, the result was discordance between the objectives and the means to achieve them, or the appearance of "fallacy of the coalition." Under a "stable" political environment where objectives are set according to the means available, this kind of dramatic discordance does not occur. But, in "reform" politics, it becomes more or less necessary to take a paradoxical view that "results must become causes." Therefore, carefully-drawn strategies and tactics become necessary. But the centripetal force that was needed to implement the drastic "reform" politics was unable to coexist with the structure of the coalition government. In this sense, the structural difficulty became an added burden. The discordance between agenda and performance was structurally foreseeable, and the dilemma for a "structural reform" administration seems likely to persist.

At the time of dissolution of the Hosokawa administration, the media abroad directed their serious attention on the future of the "structural reform" issue. As far as a major trend is concerned, this way of focusing attention is correct. The Hosokawa administration certainly created an epoch by declaring to the nation and abroad of the arrival of the time for "reform" in Japan, although its performance might have been disappointing. Future administrations will have to "explain" what kind of "reform" they are going to make; they will not be able to deny the political symbolism of "reform" for a foreseeable future. Furthermore, the public's standards for government have shifted from the LDP to the Hosokawa administration, and this shift was clearly indicated by the relatively high ratings the latter administration was able to enjoy until its final days. In other words, for a foreseeable future, the Japanese Government has no other way but to play the role of a "reform" administration internally and externally.

That Mr. Michio Watanabe created a stir by holding up the symbol of "reform" and "revolution" can also be considered as part of the general trend. Without regard to the ambition of an individual politician, it was a proof that the tide arising from the Hosokawa administration also reached the LDP. The 1955 system, including the problem of economic structure, has become an object for reform, and the forces that try to maintain the system are driven into a defensive position. The LDP and the SDPJ each maintain a large number of forces and are unable to act defensively all the time. Here lies the marked dynamism of the era for "reform." A voice calling for "party solidarity" will eventually die down, unless it accompanies a reply to a question, "What is the solidarity for?"

Also, the bureaucracy is said to have strengthened its power under the Hosokawa administration. But this view is based on a short-term assessment of the situation. In fact, the appearance of the "rise of bureaucracy" itself is not favorable to the bureaucracy because it is most effective for the bureaucracy to perpetuate unobtrusively by using politics while maintaining the mask of its neutrality, and doing so will also preserve the power of the bureaucratic influence, which cannot be strongly justified from the viewpoint of the legitimate democracy. Therefore, it is a devastating situation for the bureaucracy to appear as a "political" actor and become a focus of criticism, while on the other hand politicians are found innocent and acquitted.

The Hosokawa administration probably did not orchestrate this "rise of bureaucracy." However, it is quite ironical that in the end the "political" armor of the bureaucracy torn up its cover of "neutrality." The change of political power and the appearance of the "reform" administration—this new two-fold situation led to this result, making it an unavoidable point of contention for future administrations to decide on what to do with their relationship with the bureaucracy. The Hosokawa administration is said to have allowed the "rise of bureaucracy," but it was also noted as the first administration to propose a close review of the bureaucracy, including elimination of ministerial representatives in committees. This latter aspect is one example of how "political" debates on the issue of bureaucracy will develop in the future. Owing to the two-fold situation mentioned earlier, not only how to assign roles between government and administrative bodies has become an issue, but also it has become inevitable to realize that deciding on such assignment itself is the role of the government. The Hosokawa administration is likely to be considered as [haveing marked] a turning point for the bureaucracy.

3. From the Coalition Government to Restructuring of the Political Sector: Miscalculations and New Breakups

Was the Administration Truly a Glasswork?

The Hosokawa administration that was formed by eight non-LDP parties was quite an exceptional government, being bonded by the change of government and political reform as its strongest bonding agent. It began its course with an aim to accomplish its initial objectives in any way possible by not giving power back to the LDP, the largest political party. However, it was easy to foresee that this solidarity would weaken once restructuring of the political sector was undertaken. From the start, the bonding agent for the coalition government was Shinseito and Komeito, each of which acted as a buffer, gathering together two groups of political parties: a conservative group of the JNP and Sakigake, and a reformist group of the SDPJ. Election of Ms. Doi as chairperson of the House of Representatives and Mr. Hosokawa as prime minister was evidence of these two buffer parties' concern for the two groups of political parties and their ingenuous maneuver for solidarity. Although the coalition government was called a glasswork, it showed some well-thought-out plans. A "conference of representatives from the leading parties" was the primary decisionmaking body, and under it were two committees of secretaries general in addition to a summit conference of the governing parties. Looking at this structure, some said it was a "dual structure of power controlled by Shinseito." This type of comment did not develop into a constructive idea of how to run the coalition government. During the era of the LDP government, the structure was so formed that varying arguments along the way somehow found their way to be summed up into a certain result. In this respect, as the coalition government was run according to interparty conferences and decisionmaking, the structure of the system was rather clear. The follow-up work on the national welfare tax, for example, was never opaque at all. In other words, compared to the case where one party conducts deliberation, the coalition government made its policymaking process more transparent by having interparty debates, which in turn had an effect of urging each party to clarify its stance.

A Syndrome Resulting From the End of the Hosokawa Administration

The Hosokawa administration had the following two problems. First, the JNP, the prime minister's essential political foundation, was a "group of amateurs," comprised only of newly elected Dietmen who did not have enough skills to support the prime minister. As it lacked a leadership quality in dealing not only with the opposition parties but also with the other governing parties, it was expected from the beginning that the party would experience a fatal blow at a time of crisis. Its shaky relationship with Sakigake worsened its lack of leadership and proved to be fatal during the final phase of the Hosokawa administration. This was the other side of the JNP's strength mentioned earlier—that is, the JNP's strength in pursuing the political reform issue. It exemplifies the fact that everything has two sides. Second, differences in opinions among the parties on policy issues tended to be dramatized in conjunction with their projected views on restructuring of the political sector. In other words, instead of resting on a mode where the parties communicate their opinions serenely and adjust their differences to run the government, their objectives for the future in restructuring the political sector tended to have more gravity than actual policymaking. In fact, this coalition government was unique not simply because it had many participating political parties, but mainly because it was riding on a scenario for a future drama of restructuring the political sector. Therefore, in addition to the excessive burden of having too many political parties within, the administration had to deal with an unstable psychological factor of the restructuring of the political sector, and once it enacted the law on political reform, it tended to be succumbed to strong centrifugal forces. Furthermore, as this restructuring-of-the-political-sector syndrome occurred in relation to other actors, it tended to invite conflict after conflict. It was influenced quite strongly by such factors as [personal] "likes and dislikes" as well, although it also had some element of forcing selection of a party line. The initial prospect that the passage of a political reform bill would solidify the "non-LDP" government did not materialize. Instead, the syndrome became rampant, breaking up the three-party structure that existed at the time of the formation of the Hosokawa administration.

The confused state following the end of the Hosokawa administration spread further, engulfing the LDP in this syndrome. Faced with a complex set of equations, those involved (and the public as well) continued to remain dazed. It was like seeing the distinction between fantasy and reality becoming endlessly ambiguous. Projected from the stable 1955 system, the formation of the Hosokawa administration itself was like a fantasy. But the Hosokawa administration was able to relay on the legacy of the system in the form of "LDP" versus "non-LDP." In other words, the Hosokawa administration's strategy was to accomplish progressive changes and soft landing by preserving this bipolar structure for convenience. The idea of creating a new New Party was one manifestation of this strategy. In this sense, the Hosokawa administration provided many politicians with a secure sense of understandability.

With the end of the Hosokawa administration, however, it is highly likely that the time may come when we cannot even find this pivotal demarcation. It is easy to criticize the artificiality of the distinction between the "LDP" and the "non-LDP." But erasing this distinction would make it more difficult to foresee the future, creating a room for further vacillation. When one side collapses, the other side will, too. The old conservative group expected that once the Hosokawa administration was overthrown, the old system would return. But, ironically enough, the overthrow of the Hosokawa administration pulled the trigger for further breakups of the old conservative group. It is not clear who are playing the drama of "creative destruction" or that of "self-destruction." What is certain is that things will move on, passing over the political map drawn by the Hosokawa administration. If we rely on such familiar tactics as chasing after scandals, we will never be able to open up a road that lets us overcome the overall imbalance created by the pile of issues and the end of the old party politics. In this sense, the way the Hosokawa administration ended seems to suggest that confusion will continue to persist. We cannot simply say it interesting when the difference between the rationality in a micro sense and that in a macro sense is growing further apart, increasing elements for a tragicomedy.

* Editorials Discuss Constitution Revision

* Constitutional Debate Encouraged

932B0097A Tokyo ASAHI SHIMBUN in Japanese 2 May 94 p 5

[Editorial: "For Better Choice With Readers"]

[Excerpts] In the years to come, we Japanese may look back on this time as a turning point in our history. As the current political turmoil plays itself out, our sense of crisis will undoubtedly intensify.

The formation of the Hosokawa cabinet last year was an epoch-making event, marking the end of one-party rule in postwar Japan. But the qualitative debate on the future direction of the nation, which is inexorably linked to the ongoing political realignment, has only just begun. What will change? What will remain? The issues are larger than politics. In the next year or two, we will almost certainly see a new national model, something that will affect the way we live our daily lives.

Next year will mark the 50th anniversary of the end of the WW II. The world has changed dramatically over the course of the past several years. Through the upheaval that is only just now beginning, we would like to see the nation make error-free choices. As journalists, who must play an important role in this national debate, we begin today a year-long series of weekly editorials entitled, "Fifty years after the war: the search for tomorrow."

New Self-Portrait

Because we are at such a major crossroad, we must not make hasty conclusion whether it is the Constitution or Japan's role in the world. Before addressing this issue, however, we would like to see the nation calmly reflect upon the path it has pursued from the basic standpoint since the end of the war. [passage omitted]

Over the course of the past several years, we have continued to insist that the constitutional debate do justice to the values contained in the Peace Constitution which has served Japan so well in the half-century since the end of the war. The debate should clarify these values even further.

We as a nation continue to search strenuously for an appropriate international role—one based on our standing in the world, one that takes into account actual conditions around the world, and one that does not fail to recognize the main currents of history. Postwar Japan as a nation has not killed or maimed other peoples but has pursued a solitary path in the world based on the articles in the Peace Constitution. It has adopted the three nuclear non-proliferation principles, banned the export of arms, and developed a purely defensive military posture. While the Constitution is not a sacred text, we do not side with those revisionists who would fundamentally counteract these trends in the name of "responsibility."

There are people who disagree with even the most basic principles contained in the Constitution. The debate, of course, must be opened to all viewpoints, including theirs. We must not forget, however, that the freedom which make this open debate possible is a product of the postwar Peace Constitution.

This year, several constitutional movements have emerged with different visions for the nation.

Ichiro Ozawa of Shinseito [Japan Renewal Party] envisions an "ordinary nation" that would not rule out a military contribution to preserve the international order. Masayoshi Takemura of Sakigake [Harbinger], meanwhile, envisions a "small but radiant nation" that would "eschew superpower policy and defend the Constitution." These two visions are clear examples of the debate developing between constitutional revisionism and preservationism.

The constitutional debate should welcome other opinions. However, we believe it is necessary to address this major dimension of the debate.

Reviving Ideals

First, we need to identify those situations where an "international contribution" would require the use of military force. Examining the different scenarios, one can begin to understand the pros and cons of both the revisionist and preservationist arguments. For this reason, the debate must focus on specifics.

During meetings of the present coalition cabinet, an opinion has arisen that "emergency legislation may be necessary." Conclusive verification that North Korea (DPRK) is developing nuclear weapons would naturally have to occur first. But why has the debate over emergency legislation generated strong psychological fears that rights protected by the Constitution would be violated and people's lives compromised?

"The reform faction includes many conservatives, and the current upheaval is liable to bring about a return to the status quo ante. The present reform faction will destroy parliamentarianism and cast us into the stygian darkness of the middle ages."

These words, written by an uncompromising journalist in 1940, describe the beginning of the end of the early modern period [1868-1945]. They are offered as food for thought. Reform-minded bureaucrats, military officers, and even liberals rushed to join the "reform faction."

The reformers merged with the movement to restore imperial rule and before long plunged the nation into a period of darkness.

Today instead of being misled by names such as "reform faction" and "conservative faction," we should limit ourselves to the issue of what needs to be changed. We suggest that the debate be as dispassionate as possible.

The nations with permanent seats on the UN Security Council have the special responsibility for preserving peace in the world, yet all of them export arms and possess nuclear weapons. If Japan is to gain a permanent seat on the UN Security Council, it should make the three nuclear non-proliferation principles law domestically and attempt to organize a bloc of non-nuclear, non-weapons-exporting nations internationally.

When allocating funds to developing nations, the Official Development Assistance (ODA) should take into account whether the recipient has signed the nuclear Non-Proliferation Treaty and whether it spends an excessive portion of its domestic budget on armaments. We have been negligent in living up to the articles contained in the Peace Constitution.

Japan should take pride in the independent pursuit of its constitutional ideals and must devise a way to help other nations understand them. If we do not make such an effort, or worse change the Constitution, how will we solve the problems of nuclear proliferation and ethnic conflict? How else can we create a "reform" in thinking?

Sensible Debate

The phrase "bell with a wooden tongue" dates back to ancient China, where such a bell was rung to announce imperial decrees to the emperor's subjects. The term later came to refer to someone who awakened the people through the example of his instruction and guidance. During the prewar period, it was a common synonym for the press.

Times have changed. In a modern society, which attempts to encompass a diversity of opinions, a single point-of-view is no longer forced upon people from above. We believe there is greater power in convictions based on sound judgment and tempered by debate.

* Discussion on Article 9

932B0097B Tokyo ASAHI SHIMBUN in Japanese 4 May 94 p 5

[Editorial: "Three Drunks Debate Constitution"]

[Text] In May 1898, Chomin Nakae, a people's rights activist, published his *Three Drunks Debate Statecraft*. Two guests, with a gift of "strong Western spirits" in hand, call upon professor Nankai at his residence. The names of the two guests are not mentioned, but the professor refers to the guest dressed in Western clothes as the "Gentleman," and the guest wearing Japanese clothes as the "Patriot."

The Gentleman advocates a radical form of democracy and the total abolition of the military, while the Patriot advocates power politics and military intervention on the continent. Professor Nankai, meanwhile, is a pacifist who subscribes to a more moderate constitutional politics. All three engage in a beautifully wrought debate on the future course of Japan.

The two guests depart at the break of dawn, never to meet again. The professor is the only one to have downed the spirits with gusto. The three men represented distinct viewpoints. The fact that they could not enter into a friendly debate could symbolize one of the intellectual tragedies of modern Japan. Nearly a century later, in May 1994, we have created to hold their reunion. The following is our *Three Drunks Debate Statecraft*.

Individual Convictions

On this evening, the Gentleman is sporting a conservative navy blue jacket and clutching a two liter bottle of liquor. The Patriot, wearing a baggy "soft suit," brings along a bottle of vintage wine. Professor Nankai, as he did a century earlier, remains the epitome of respectability.

The Gentleman gets the conversation going: "Yesterday afternoon I was sitting in my garden gazing at the new spring growth bathed in glorious sunlight. I wasn't thinking about anything in particular when a deep sense of joy overwhelmed me. I realized that I was truly free. It must have been similar to the feeling of emancipation that we Japanese experienced at the end of the war."

The Gentleman continues: "I needed that time in my garden. Peace and quiet is very important. I believe that sense of liberation really says a lot about postwar Japan."

At this point, the Patriot chimes in: "Your feelings are selfish. Would you be prepared to defend the peace you were enjoying while basking in the sun? When travelling abroad I experience a sense of shame. "You have the capability; why doesn't your country make a military contribution to the defense of world peace? Don't you have the pride of a great nation?" I am so ashamed it hurts. It has been this way during the entire postwar period. We Japanese were caught off guard by the Cold War. Today, tensions on the Korean peninsula are building again. We Japanese remain indifferent, enjoying our little peace and quiet. Our pursuit of self-gratification continues, and Article 9 is the source of our complacency."

The Gentleman responds: "I do not think only of myself. I would like to see Bosnia and Somalia enjoy this same sense of peace. As for the problem of war and peace, it is to be resolved people, not nations. After the war, we were told not to reorganize our military. Under Article 9, we renounced our war-making capacity. This renunciation is a sign of our remorse for having invaded other Asian nations, while at the same time holding out the promise of a future free from war. These are my convictions. The sense of shame you experienced abroad must have occurred in Europe and the United States, not Asia."

Source of Complacency

"You're hopelessly idealistic," replies the Patriot. "Unfortunately, the preservation of peace requires the use of military force. Who knows when the next Iraq will come along? You should at least admit that the military power maintains the international order. Only Japan continues to deny this reality. We need to enact the necessary legal provisions immediately so that Japan can become a responsible member of the international community."

Finally, professor Nankai drains his glass and joins the conversation by asking a question: "If Article 9 had never existed, what path do you suppose postwar Japan would have taken?

"The Patriot's "ource of complacency" has been removed. Democracy is firmly entrenched. There are no constitutional prohibitions on prosecuting a war. In elections the people carefully scrutinize the candidates. Activists keep a close eye on issues of national security.

"In other words, we begin as a people to develop a healthy skepticism toward those in power. Would the postwar conservative cabinets have been able to survive such scrutiny? Their long reign was made possible because of the Constitution. Sure, this is only a hypothesis. But we have to ask ourselves, wouldn't we have slowly created a policy of peaceful coexistence after our defeat in war?"

The professor continues: "Before we decide that the Constitution is outdated, shouldn't we at least consider whether the Constitution conforms to our concept of peace, and whether our ideals conform to our actions?"

The Gentleman nods his head in agreement: "It is an issue of democracy. I have always voiced by opposition to war. One at a time, people have begun to express their antiwar sentiments. A network is growing. It is spreading in other parts of the world. Even if I were an isolated voice, I would denounce war and the military. I do not support Article 9 in its own right; I advocate the universal principle contained in Article 9 as the basis for world peace in the future."

The Patriot laughs scornfully: "Let me be blunt. That would be great if it were indeed happening. We should change the Constitution and become an ordinary country. Democracy will not collapse. Civilian rule has taken hold; military adventurism is impossible. The vagueness in the Constitution is not good for national morale."

Article 9 as Weapon

Professor Nankai interjects: "The Gentleman makes some important points concerning individual freedom, personal conscience, and the problem of peace. But his argument for the establishment of world peace is weak. The Patriot's argument is clear-cut and concise. His concern with the actions of other nations reminds me of the Westernization policies of the early modern period of Japanese history [1868-1941]. Does he sense the tension between history and doctrine?" Professor Nankai pauses to drain his glass.

"I don't have any creative answers. In order to stop wars before they start, however, Japan will have to cooperate with the international community in many different ways. Materially and idealistically. Article 9 should not be viewed as a source of complacency but as a weapon to be used without reserve."

Policymakers chose the Patriot's path in the early modern period. A century later, the debate continues.

*Gap Between Idea, Reality

932B0097C Tokyo MAINICHI SHIMBUN in Japanese 3 May 94 p 5

[Editorial: "How To Overcome the Difference Between Idea and Reality"]

[Text] "We have a hard time understanding our coworkers' attitude in the workplace. Most perplexing is their attitude toward technical cooperation."

When the Japanese specialists assisting them with their work leave for home at the end of the day, the local workers see them off without thanking them. After locking their offices and heading for home, the Japanese specialists feel something is missing. In Japan a superior leaves the office before his subordinates, but they behave very differently.

The Japanese technicians who assist in the development of Malaysian personnel are puzzled.

What really annoyed them was that despite their effort to assist and train Malaysian personnel, none of their local coworkers had ever thanked them.

One wonders whether the Japanese lack prodence or they have some misunderstanding when one hears they were disappointed because nobody expressed their gratitude for Japanese cooperation when their project ended.

Belatedly Taking War Responsibility

At the party held at the end of the training period, a trainee came up to the team leader of the Japanese specialists and extended his hand in friendship, and quietly said:

"My father was killed by the Japanese Imperial Army. For the past 40 years I have harbored resentment against the Japanese. But here the Japanese specialists provided us with excellent training. For the first time, I experienced a sense of gratitude toward the Japanese."

The story of this human development project in Malaysia is published in a book entitled, *Towards Self-Reliance* (Kokusai kyoryoku shinsho).

With the end of the Cold War, the majority of Japanese have reaffirmed their devotion to the "Peace Constitution" as a symbol of our acceptance of wartime misconduct and our determination never to allow it to happen again.

It took 48 years for a high-ranking government official to say, "I realize that it was a war of aggression and a mistaken war" (Prime Minister Morihiro Hosokawa).

The fact that no such statement was uttered during the long reign of the Liberal Democratic Party speaks volumes. Even so, this is not as a result of discussions in cabinet meetings and legislative sessions.

We undeniably feel a sense of pride in the world concerning the ideals and principles of our current Constitution. It has played a large role in shaping the postwar message and role of Japan in the international community.

The problem is that we neglected to reinforce this message. Japan has accepted its war guilt, paid postwar reparations, and vowed never to do it again. We have reaped results from these concrete actions. Perhaps we came to this realization late because of the prolonged nature of the Cold War.

After the Berlin Wall had fallen and the Persian Gulf war had run its course, the Constitution came under attack for being out of step with the "realities" of the international community. Some have jumped to the conclusion that the present Constitution is "outdated," "unrealistic," and an "impediment to international cooperation."

Let's examine this assertion. The Japanese Government makes a huge economic contribution to the international community through the Official Development Assistance (ODA) amounting to more than 1 trillion yen annually.

The ODA has recently begun to reform its programs after being criticized for profiting Japanese corporations more than overseas recipients. The ODA is examining ways to increase the amount of assistance going to education, intellectual life, and the preservation of peace.

The number of corporations who offer paid vacations to employees participating in the Overseas Youth Cooperation Corps has increased. The mental horizon of these "corporate citizens" has expanded since the end of the Gulf war ("Survey on Voluntary Leave and Voluntary Leave Systems," Japan Productivity Center, January 1994).

New Era Urges Wisdom

"Is this what you call a hospital?" asked a nurse incredulously. She works in an inferior facility in Bangladesh. Japanese volunteers have a 30-year record of cooperation in such places as Bangladeshi hospitals and Thai orphanages. Such fine-tuned, grass-roots cooperation should be given greater emphasis today.

The need for funding has grown, but we should not focus exclusively on money. The nature of developmental cooperation has changed considerably, from north-south problems and environmental degradation to the preservation of peace.

As we have said from time to time in this column, there is a need to make our "international contributions" more pragmatic.

Before Prime Minister Tsutomu Hata assumed office, he said that the Diet should pass a resolution assuming responsibility for the war and renouncing all future recourse to arms "if at all possible." If this was mere lip service, then the significance of the 50th anniversary of the end of the war will ring hollow.

Japan should clarify its intentions for every contingency based in part, but not exclusively, on the Peace Constitution.

In a few years, we will celebrate the 50th anniversary of the promulgation of the Constitution. Even though it remains the backbone of modern Japan, times have changed and in some instances certain provisions may have become outdated.

While the United Nations is a long way off from an ideal organization, there are forces in the world undermining global peace and the commonly held values of the international community. How Japan intends to deal with these forces is a continuing source of debate.

We have no alternative other than to engage in an exhaustive and prudent discussion of these issues.

However, we must clarify our message to countries torn by strife and earn the trust of the international community. Whether we find the means within the current Constitution or introduce new standards, does not matter. The fear is often greater than the danger.

* Time To Reconsider Constitution

932B0097D Tokyo TOKYO SHIMBUN in Japanese 3 May 94 p 6

[Editorial: "Beyond 'Normal Nation'"]

[Text] *Constitution Day is upon us again, this time on the eve of the 50th anniversary of the end of World War II. If the present Constitution is the "first child of postwar Japan," then now is an appropriate time to take a good hard look at the document.*

The Peace Constitution is the psychological underpinning of postwar Japan. Except for a brief period of peace in the immediate postwar period, the Constitution—like the Japanese people themselves—has endured a series of storms. It has been barraged with criticism for being "too idealistic" and "out of step with the times."

Now, with the 50th anniversary of the war's end only a year away, a phantom has arisen to challenge the Constitution. This phantom is the desire to turn Japan into a "normal nation." There have been sporadic constitutional reform movements in the past, precipitated by such "storms" as the official recognition of the self-defense forces and attempts by reactionaries to restore the prewar order. But only now, after nearly a half-century, has there come a great swell of public sentiment to reform the national outlook and reinterpret the Constitution itself.

New Interpretations

The leading advocate of the "normal nation" theory is Ichiro Ozawa, one of the most influential members of Prime Minister Tsutomu Hata's coalition government. His argument is as follows: "The United States has assumed all responsibility for maintaining international order while Japan has used its Constitution and its legal system as an excuse to avoid cooperating with the international community in the realm of global security. In the future Japan will have to become a normal nation because the international community has come to view Japan as a single-lung nation that cares only about its own domestic economic development."

Mr. Ozawa deplores the "single-lung nation" postwar Japan has become, devoting itself single-mindedly to economic growth while rejecting great power military status under the Peace Constitution. He urges Japan to become a "normal nation" that does not rule out a military contribution to the preservation of international order. As a concrete measure, he advocates the assignment of some SDF [Self-Defense Forces] personnel to United Nations stand-by forces. In order for this to occur, he has proposed a bill to amend Article Nine of the Constitution. But sending SDF personnel can be done without the consitutional amendment, according him.

It is easy to understand why this desire to become a "normal nation" has been labelled a "phantom." The debate over the constitutionality of a purely defensive SDF has only recently subsided. Mr. Ozawa now proposes going one step further by allowing the SDF to help bring international renegades to justice under the UN flag. Is this idea of a "normal nation" constitutional?

When the Constitution was promulgated, it seemed to suit the mood of the people. They had suffered considerably during the war. They made no distinctions between good wars and bad wars; all wars were bad. The Japanese people had no interest in sacrificing their lives for any cause.

However, this antiwar sentiment has changed subtly over the past half century. Take for example the fallout from the Persian Gulf war. Was the military action taken against the Iraqi invasion of Kuwait a "just war"? With other nations prepared to shed blood for the sake of justice, was Japan—which refused to send personnel to the conflict—a normal nation? The Japanese began to have second thoughts.

With the end of the Cold War, we have begun to look anew at the international situation. The east-west confrontation is over, and Japanese fears of entanglement in a major conflict have subsided. The remaining military actions seem focused on regional conflicts and terrorism. For this reason, many people believe that Japan should now begin to participate in UN police actions.

Outer Defenses

This sea change in public opinion and new developments around the world have encouraged advocates of a "normal nation." After exposing a phantom, would we just abandon in the defenses around the Constitution? Unlikely.

Mr. Ozawa's argument for the constitutionality of allowing the SDF to participate in UN police actions is based on the idea that these forces would be under UN command, not the command of the Japanese Government. Even if the use of force were authorized, it would not be unconstitutional because it would not be an "exercise of state power." However, it is to remaining faithful to the legal interpretation of the "smallest possible force for the defense of the nation" that SDF is established, the extraterritorial use of SDF, not for self-defense, would be not justifiable.

In addition, there is a very little hope for appearance of "impartial" stand-by forces that is completely devoid of the national interests of member nations in the United Nations police actions. For example, the United States as a matter of principle does not allow its forces, which serve only its national interests, to be placed under the command of another organization. Mr. Ozawa, in contrast, would contribute SDF personnel to the United Nations in the "service of internationalism."

A consensus is forming in Japan that an international contribution of personnel might have to be made in the case of a global crisis. A system of collective security under the leadership of the United Nations is beginning to emerge for the post-Cold War world. Japanese from all walks of life favor participation of SDF personnel in UN Peacekeeping Operations [PKO]. The limits of the current Constitution are inscribed on their hearts, and they do not regard such participation as military aggression.

While pressure builds to become a "normal nation" and the force of their argument gains momentum, the people of Japan also have a sense of balance and would not allow the Constitution to be undermined. While the people of Japan regard the Constitution as reparation for embarking on a foolish war, they do not wish to remain passive.

New Life

There is a movement afoot to impose economic sanctions on North Korea (DPRK) for failing to dispel doubts about its nuclear intentions. Some are attempting to use these sanctions to prepare the way for collective self-defense actions currently prohibited under the Constitution. The "stormy seas" continue unabated.

Will the enactment of a basic national security law establish a new interpretation of the Peace Constitution? We believe that the eve of the 50th anniversary of war's end is a good opportunity to breathe new life into a constitution that retards the development of a "normal nation."

* Revision To Sustain Peace

932B0097F Tokyo SANKEI SHIMBUN in Japanese 3 May 94 p 2

[Editorial: "North Korean Missile Is Like 'the Sword of Damocles'; Constitutional Amendment Should Be for the Purpose of Sustaining of Peace"]

[Text] *The 47th anniversary of the ratification of the Japanese Constitution has arrived at a time of deepening crisis on the Korean peninsula. Four years ago, the Persian Gulf war awakened the nation to the issue of invasion and national defense. Now Japan is within the range of North Korean missiles. The day may soon come when the Japanese archipelago will come within range of nuclear warheads. For a nation long accustomed to peace and economic prosperity, the North Korean problem has become a "sword of Damocles" hanging over our heads.*

Peace-Loving Defenders?

After being nominated as prime minister by the Diet, Tsutomu Hata paid a courtesy visit to Takako Doi, the speaker of the lower house. Speaker Doi abruptly asked him to "please defend the Constitution." The prime minister quickly added "...in order to prevent another war." This response was uttered as though it were a Pavlovian reflex.

Many have argued that Prime Minister Hata has not been able to distance himself from the Cold War ideologies that poisoned constitutional debate by portraying defenders as pacifists and revisionists as warmongers.

Are the defenders truly the agents of peace? After all, the advocates of "unarmed neutrality" were members of the socialist camp who had pledged themselves to bring about the "lasting peace" of Marxist ideology. They insisted that armed defense was unconstitutional, and demanded that the self-defense forces be abolished. The socialists also advocated the abrogation of the U.S.-Japan Security Treaty.

The socialist camp, however, is disintegrating. North Korea, which stubbornly adheres to a dictatorial socialist system, is a terrorist state that has downed a KAL airliner and assassinated South Korean cabinet officials in Rangoon. It can no longer credibly claim to be a peace-loving regime. The socialists opposed the build up of national defenses by members of the liberal democratic camp, and ingratiated themselves to socialist nations such as the former Soviet Union and North Korea. Were these states not opposed to democracy? Now that the Cold War is over, the socialist idea that constitutional defenders were agents of peace and reformers agents of war has been reversed.

Many Interpretations Exist

The Japanese people have recently become aware of this reversal. According to several public opinion surveys, the number of people favoring constitutional reform exceeded 50 percent for the first time in 1990, surpassing the number opposing reform. At the very least, this reflected the desire to make a contribution to the war effort in the Persian Gulf. We have been released from the fetters of postwar ideology, and we are free to take an objective look at the Constitution.

Looking at the Constitution objectively, we realize that there are a number of odd passages: "We, the Japanese people, ...profoundly aware of the noble ideals governing human relations, resolve to rely upon the sense of justice and goodwill of other peace-loving peoples to maintain our security and livelihood."

This passage is from the preamble to the Constitution. Nobody seems to know what the noble ideals governing human relations are. Another problem is the part in which the Japanese people resolve to rely not upon themselves but upon the sense of justice and goodwill of other nations.

The meaning of the preamble appears to be clarified by Article 9, Section 1, in which Japan renounces war, and by Article 9, Section 2, in which Japan renounces the maintenance of an army, navy, and air force. Under this article, Japan could not exercise the sovereign right of self-defense.

For this reason, the government took it upon itself to change the interpretation of this article. There are a number of interpretations, but with tension over North Korea's nuclear program growing, the Hata cabinet is urged to reinterpret this article once again.

How can we recognize the exercise of the right of collective self-defense? In the opinion of the current government, Japan possesses the right to collective self-defense as a sovereign nation but cannot exercise it constitutionally. But with tensions rising on the Korean peninsula, will Japan be able to avoid participating in a joint-action with the United States and South Korea?

Immediately prior to becoming prime minister, Tsutomu Hata addressed the situation by saying, "I hope to initiate the debate to recognize the right to collective self-defense." If this is the case, should we continue with the current interpretation of the Constitution?

Under the interpretation espoused by previous LDP [Liberal Democratic Party] cabinets, preemptive strikes were not ruled out as a defense against missile attacks. At the time, even the use of nuclear weapons was not ruled out if used in self-defense.

The defenders of the Peace Constitution revere it as though it were a sacred text. If they are sincere about maintaining peace, they should join the debate over constitutional reform.

A half-century after it was ratified, we should begin to clarify some to the vague language contained in the Constitution. We must do so if the Japanese people are to earn the trust of the international community.

Nissan To Export Autos From U.S. to Mexico

942A0523A Tokyo SANKEI SHIMBUN in Japanese 1 Aug 94 p 3

[Text] Nissan Motor announced on 31 July that it plans to export to Mexico the "Altima" passenger car (Japanese name: Bluebird) which the company produces in the United States and the minivan "Quest" which is produced in a joint enterprise with Ford and put them on sale starting next year. Nissan is the only Japanese manufacturer that has a production base in Mexico, but this is the first time that it will sell models other than those produced locally in Mexico. It considers it a foothold for expansion of the sales route of cars produced in the United States to Latin American markets where future expansion is anticipated.

The outlook for Nissan is that it will be permitted to import about 2,000 finished cars next year. It could also export from Japan, but since it would be comparatively high with the high yen, it has decided to export U.S.-made Nissan cars.

With the North American Free Trade Agreement (NAFTA) coming into effect in January this year, the various U.S. automakers are strengthening their export offensive to Mexico, but the company will counter by exporting both car classes made in the United States instead of exporting from Japan. It will strengthen its Latin America strategy by a foothold in Mexico.

Nissan is producing the "Sunny" or "Datsun" in three plants such as Cuernavaca and Aguascalientes, and besides selling it within Mexico, it is exporting it to various Latin American countries. The number produced, which was 120,000 in 1989, has expanded year by year, and rose to 185,000 in 1993.

Autos Losing Market Share in Indonesia

942A0521A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 1 Aug 94 p 12

[Text] (Jakarta, Hiroaki Kanazawa) Is the Japanese auto share tending to drop in Indonesia too? According to the January to June flash report figure for number of auto sales compiled by the various Japanese auto manufacturers in Indonesia, the Japanese auto share for passenger cars was 80 percent, down from 84.5 percent for the same period of the previous year. One cause is seen to be that the various Japanese companies raised prices one after the other from last year to this year with the high yen. In Southeast Asia, the drop in the Japanese auto share has already become noticeable in Thailand, and the possibility has appeared that the same scene will spread to Indonesia.

According to the flash report figures, total sales for January to June was 138,000 units, a favorable increase of 57 percent compared to the same term of the previous year. It was 18,000 units for passenger cars, a 25-percent increase over the same term of the previous year.

However, the share for Toyota Motor, Mazda, and Suzuki was down, especially in passenger cars, and on the other hand, the German Benz and BMW had prominent increases. Although the Japanese share overall was still 92.2 percent, it was down 0.9 points compared to the same term of the previous year.

The drop occurred because, "with the high yen, comparing the same class car, those of the U.S. and European makers were cheaper by far" (local employee of large Japanese manufacturer). Because the high yen is advancing, it is also possible that the share drop in passenger cars will accelerate as it did in Thailand.

However, there also is the opinion that, "since Japanese cars have the great attraction of a stable used car price, the desire to purchase them will not fall that much even if retail prices are raised." Whether the Japanese auto share drop will continue as a trend seems to be "difficult to judge yet without seeing the trends of the German Opel, full-scale sales of which will begin now, and of the South Korean Kia to start next year" (large Japanese affiliate).

Shimadzu, Honda Develop Emissions Measuring Device

942A0527A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 1 Aug 94 p 10

[Text] (Kyoto) Shimadzu Corp. has developed jointly with the Honda Technology Research Center (Wako City, Saitama Prefecture; Hiroyuki Yoshino, president), a related company of Honda Motor, an automatic measuring device for various kinds of nonmethane hydrocarbons contained in the auto exhaust emissions. Different from devices that measure the total amount of exhaust emissions in the main flow, it can separate it into the various kinds of nonmethane hydrocarbons and measure the respective amounts. It will be sold to Japanese automakers who are proceeding with local production to deal with California state regulations in the United States which are the strictest in the world.

Selling on the 1st was the "auto emissions measuring device NMOG-1." With existing separation analysis type devices, only one test sample per measurement could be measured, but with this device, six test samples can be measured at one time. The measurement time also is said to be one hour, less than one-sixth that of previous devices. Furthermore, as a result of automatically measuring everything by operation of a button, simultaneous output of data for certification application is possible.

Besides directly measuring auto emissions, the device also can be applied to measurement of chemical substances such as nonmethane hydrocarbons in the city air.

The price is 70 million yen and they aim to sell 20 units the first fiscal year. The plan is to export them to the United States and various countries of Europe in two or three years.

Daicel Expands Airbag Inflator Production

942A0522A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 29 Jul 94 p 11

[Text] Daicel Chemical Industries will increase production of airbag inflators (gas generation device). It is undertaking it at its main Harima plant (Himeji); 400,000 units are planned for fiscal 1994, a 30-percent increase over the previous year. The expansion is necessary because exports to the United States have increased with the recovery of auto demand and a near doubling of exports of equipped cars to Europe compared to the previous fiscal year. The installed rate for airbags in the Japanese market has been no more than a moderate increase, but the company anticipates a rapid increase in fiscal 1996 and thereafter in response to the low pricing trends, and its position is to achieve annual production of 1 million units in fiscal 1998.

Almost all the company's inflators are supplied to Toyota Motor and are factory installed in passenger cars. The rest are delivered to Mazda, Suzuki, and Fuji Heavy Industries as an option for light cars.

The production for last fiscal year was about 300,000 units. Some 200,000 units were for the United States and 50,000 units each were for Europe and Japan. The breakdown for the fiscal 1994 plan is still 50,000 units for Japan, but 240,000 units for the United States, a 20-percent increase, and 110,000 units for Europe, a great increase of over double.

Since standard installation of airbags is an obligation in the U.S. market, they have been increasing steadily. The demand for airbags is increasing rapidly in Europe centering on both the German and British markets, and the company's analysis is that "it is an expression of the awareness of further increasing safety with seat belt pretensioner installation having run its course" (Akira Inagaki, vice manager, Safety Systems Division).

Demand has leveled off for Japan and the company views the reason to be "because the price of airbags is too high." For this reason, the company is currently developing a new, smaller inflator with simpler construction than the existing product and aims to employ it on 1996 models. By developing the new inflator, it plans to reduce costs and increase the installation rate.

Electric Vehicle Service Stations Viewed

942A0516A Tokyo SANKEI SHIMBUN in Japanese 22 Jul 94 Evening Edition p 1

[Text] A public charging station for electric cars, the introduction of which is promoted by local governments, etc., as "a vehicle kind to the environment," has made its appearance in Koganei City, Tokyo Prefecture. As a link in the "Ecostation 2000 Plan" to make popular low-pollution autos advocated by the Agency of Natural Resources and Energy, it is the only one north of Kanto among the charging stations that will be built in 11 locations nationwide. So far, car owners generally charge their batteries with their own chargers and there are examples of public stations set up in Osaka City and Nagoya City. Managers have been saying, "it could herald the wide popularity of electric autos" (Shihoko Fujisawa, Tama branch bureau).

The plan is to have nationwide 20,000 low-pollution autos with electricity, natural gas, and methanol as fuel and have fuel supply facilities in 2,000 locations nationwide by the year 2000 in the Western calendar. The Ecostation Promotion Society (Nagata-cho, Chiyoda ward) is providing capital assistance. This year, the initial fiscal year of implementation, 11 electricity, five natural gas, and four methanol stations, for a total of 20, will be established.

The charging station that opened in Tokyo Prefecture is the "Watanabe Sekiyu" (managed by Isamu Watanabe) gasoline station in Maebara-cho, Koganei City. Establishment was permitted because of its advantageous location in the middle of Tama and the center of the prefecture.

It is a quick-charging facility where charging that previously took eight hours for a charge can be accomplished in 30 minutes. Since retail sales of electric power are restricted under the Electricity Enterprises Act, it will take the form of car owners using the facilities under a membership fee system. Watanabe says, "I would like to make an appeal for use centering on local governments."

However, the response of local governments on charging stations has been negative. The city of Musashino, Tokyo Prefecture, which owns 10 scooters and other vehicles, says, "Use is mainly for trips within the city. I don't know whether we would go as far as Koganei City to use a station" (City Environmental Countermeasures Department). In Tokyo, which owns 182 vehicles, they say "We are managing with the charging facilities that we own" (Auto Pollution Countermeasures Office).

According to the Ecostation Promotion Society and others, there are currently about 1,800 electric autos nationwide and 350 in Tokyo. Mainly local governments and businesses are using them for short distance trips.

Fuel costs are cheap at about 8 yen per kiloliter, but there is a limit to battery charging. The traveling range at a set speed on one charge is about 100 kilometers; even at maximum speed, the limit is about 100 kilometers. Vehicle price is two to three times that for a gasoline-powered vehicle, and even a small regular car is high priced at 10 million yen. General popularity is still a long way off.

The task is to reduce cost. According to the Japan Electric Car Association (Toranomon, Minato ward), nickel cadmium, which can charge twice as many times as existing lead batteries, or lithium, which can be made lightweight, are being researched for batteries. However, utility is still a long ways off on points such as safety and price. The association says, "Cost will not drop so long as cars cannot be sold in large quantity."

As the Ecostation Promotion Society says, "If electric cars could travel a wide area by using charging stations and encourage general popularity," the trend will be the charging station in the future. The effect of having a general permeation of electric cars which are kind to the environment is anticipated.

Sumitomo To Invest in Kazakhstan Oil Company

OW1008034394 Tokyo KYODO in English 0242 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—Sumitomo Corp. will invest in an oil concern in Kazakhstan jointly with a German mining firm, making it the first Japanese company to get involved in an oil project in Central Asia, a Sumitomo official said Wednesday [10 August].

The official said the giant Japanese trading house and Preussag AG of Germany will take a yet-to-be decided stake in an oil company set up jointly by Yuzhkazneftegaz, Kazakhstan's state-owned oil company, and a Canadian firm.

The joint oil company has found an oil field in Kazakhstan, but has been unable to start production due to a shortage of money, he said. The official did not identify the Canadian firm or the joint oil company.

The joint oil company is looking to produce 20,000 to 30,000 barrels per day of oil starting next spring, the official said.

Sumitomo plans to export oil drilling equipment and other devices needed for construction of an oil plant to Kazakhstan, he said.

J Energy Forms Joint-Venture Oil Firm in China

942A0526A Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jul 94 p 13

[Text] Japan Energy (formerly Nippon Mining-Kyodo Oil; nicknamed J Energy) announced on 27 July that it has established a manufacturing and sales company for lubrication oil in Yangquan City, Shanxi Province, in a joint venture with the Yangquan City Tongxing Enterprises Corporation of China. With next spring as the goal, it will build a lubrication oil plant with an annual production of 10,000 tons and sell high-grade lubrication oil for cars on the Chinese market. This is the first time for a Japanese oil company to embark on the production and sale of oil products in a joint venture with China, and it seems that a trend to follow them will appear in the future.

The new company is the Shanxi Japan Energy Lubrication Oil Corporation, with a 51-percent investment by J Energy and 49 percent by China. Capital is about 320 million yen. Three people will be dispatched from J Energy, including the general manager, which corresponds to president.

The lubrication oil plant that will be built in Yangquan City will produce high-grade auto lubrication oil products such as engine oil and gear oil. Construction cost is about 290 million yen. Besides supplying transportation companies and gasoline stations, it anticipates demand from Japanese automakers who are expanding in China. The base oil that will be the raw material will be exported mainly from a J Energy refinery in Japan.

The market scale for lubrication oil in China is about 3 million tons annually, but the situation has been that it depends on imports for 1 million tons, which the domestic production system cannot supply. Moreover, annual growth of about 15 percent is anticipated for high-grade lubrication oil.

Japanese oil companies have strong interest in the Chinese market where economic growth is continuing and are undertaking the export of asphalt and lubrication oil, but they are wary about investing in joint-venture enterprises. J Energy views its aim to be expansion to other oil products after obtaining a foothold in the lubrication oil enterprise, where places to sell are easy to secure.

Chiyoda Receives Abu Dhabi Facilities Contract

942A0517A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 26 Jul 94 p 12

[Text] Chiyoda has received an order from the Abu Dhabi National Oil Company (ADNOC) of Abu Dhabi, United Arab Emirates (UAE), for a utility facilities expansion project of the al-Ruways oil refinery. The order amounts to about $90 million, and it is scheduled for completion in 1996. In addition to the new establishment of a 38-megawatt gas turbine generation facility and heat exhaust recovery boiler, multistage fresh water purification facility (daily volume of 13,000 cubic meters), a nonpotable fresh water tank (capacity of 25,000 cubic meters), and a potable fresh water tank (same capacity), from detail design including remodeling of existing instrumentation facilities to materials procurement, construction, and test operation has been contracted.

Besides Chiyoda, seven European firms such as Snamprogetti of Italy and Technip of France participated in the bidding for the project. The al-Ruways oil refinery capability doubling program is scheduled to begin in 1995, and the aim was to make this order a foothold.

Tohoku Electric To Buy LNG From Malaysia

942A0518A Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Jul 94 p 22

[Text] Tohoku Electric Power recently formally signed a sales contract for LNG (liquefied natural gas) with Malaysia LNG (headquarters, Bintulu, Sarawak). The contract is for a 20-year period beginning in 1996; Tohoku Electric Power will purchase 500,000 tons of LNG annually and use it as fuel for thermoelectric power plants. The purchase price has been linked to the import of crude oil.

Tohoku Electric Power is already importing about 3 million tons of LNG annually from the Indonesian state-operated oil and gas company (PERTAMINA), and using it at the East Niigata thermoelectric power plant and Niigata thermoelectric power plant. There is a plan to increase LNG thermoelectric plants in the future and they negotiated with Malaysia LNG for stable LNG procurement and diversification of suppliers, signing a confirmation of intent in August 1992 that became the premise of the sales contract. Malaysia LNG is a subsidiary of the Malaysian state-operated oil company (PETRONAS), and Shell, a major oil company of the United States, and Mitsubishi Corp. have also invested in it.

Toho Gas Profits From Cogeneration

942A0514A Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Jul 94 p 7

[Text] Industrial gas sales are going well for Toho Gas. Those for corporate production facilities are slow, but that is because there has been an increase in firms which are introducing cogeneration (supply both heat and electricity) systems with preservation of the environment and plant air conditioning as the objectives. The company is putting effort into cultivating clients by making a business of proposing methods for use of cogeneration heat while actually touring plants, and is pushing up the amount of overall gas sales.

Cogeneration systems scheduled for operation in fiscal 1994 within the company's jurisdiction amount to 13,000 kilowatts in total output. In addition to examples where large systems on the scale of 2,000 to 4,000 kilowatts have been introduced like Nippondenso and Toyota Motor's main plant, the trend also is spreading for dispersed setups such as the introduction by Aisin Seiki of 600 kilowatt facilities for the necessary buildings within the plant.

Cogeneration corresponds to the sale of 1,400 to 1,500 cubic meters of gas annually per one kilowatt output. For this reason, the growth rate in the amount of gas sales for industrial use by Toho Gas since 1989 has exceeded the growth rate of overall gas sales except for 1993. Especially recently, there have been many cases of the introduction of cogeneration for plant air conditioning aimed at improving the work environment, and it has become a background for steady growth regardless of the sluggish economy.

In cogeneration, steam and hot water are produced using the exhaust heat at the same time as electricity is generated with city gas as fuel. The steam and hot water are used in plant air conditioning. Besides reducing the amount of contracted electric power that peaks in summer, it also agrees with the environmental measures which corporations are promoting because it also reduces the amount of carbon dioxide discharged.

Environmental measures have become a tailwind for introduction of cogeneration, and it is said that "customers believe that an investment in production facilities is recovered in about three years, but for cogeneration facilities, it is as long as five to seven years" (City and Industry Services Department).

Business talks are easier to conclude than for production facilities, and Toho Gas is cultivating new clients by its service of offering methods for exhaust heat use. Moreover, there are many cases where firms add more once they have introduced it. Sony Inazawa will soon introduce its third. About half of new industrial gas sales are cogeneration.

Moreover, there are many cases where heavy oil boilers are changed to gas boilers as an environmental measure. Gas is relatively high just in fuel costs. However, qualified persons must be posted to operate large boilers, and there are cases where personnel costs are cut by introducing several small gas boilers that do not need qualified persons and not having to hire qualified persons.

LPG Dealers Form Business Support Association

942A0519A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 28 Jul 94 p 24

[By Takeshi Yamada]

[Text] The liquefied petroleum gas (LPG) wholesale and retail industries which are directly facing intense competition with city gas and others have begun to form a business association transcending petroleum company affiliations, with the goil of reducing distribution costs, etc. In order to regain price competitiveness with city gas and attempt to survive, they cannot make any more price increases. The sense of crisis in the industry is increasing all the more because of that and they are aiming to secure profits and lower end prices by improving operational efficiency through the business association.

In addition to a gap of some tenfold between import prices on a customs clearance basis and retail end prices, end prices for LPG have not gone down much at all despite the high yen. On the other hand, criticism of "excessive profit" has increased against the LPG industry.

Moreover, a switch to LNG (liquefied natural gas) is proceeding even in regional cities which previously used LPG and, along with revision of the Gas Enterprises Act, the environment enveloping the industry is rapidly becoming grim, such as out-of-area supply by large city gas companies being authorized in the future.

Comparing per thermal units, the LPG retail price is over 30 percent higher than city gas. The reason is due to the huge costs in distribution and safety facilities. An inefficient distribution system in which consumers cannot choose the company and several retailers individually operating in the same area is weakening competitiveness with other energy.

Kamata Energy (headquarters, Minato, Tokyo), Toeru (Yokohama), and Mitsubishi Oil Liquefied Gas (Yokohama), which have an operating base in Kanagawa Prefecture started a business association of the three companies for such problems in June this year. In addition to jointly using the distribution centers of each company that are scattered within the prefecture and divvying up the construction and other divisions, they will have a mutual extension of on-line systems for central monitoring and rate receipt.

The total number of households supplied by the three companies is about 500,000, amounting to over 40 percent of the prefecture. The three companies all are fellow rivals, so to speak, with different petroleum company affiliations. Senior director Kazuji Akatsu of Kamata Energy says, "The distribution distance of the three companies will be halved by the business association and transportation costs will be cut from the previous 25 yen per kiloliter to 18 yen. In three years, a drop in retail prices also will be possible."

Ina City Gas, a small gas enterprise company comprised of the large company Saisan (Omiya city) and seven local retailers in the prefecture soon will begin operation in Ina-machi, Saitama Prefecture, and will supply gas to a new town (of about 8,000 households) under construction in the district.

President Nobuhiko Kawamoto of Saisan says, "Large firms like Tokyo Gas are expanding while we have been standing idle. In the future, lateral tie-ups with local industry will be indispensable." In the future, they will connect a conduit to the LNG pipeline of Tokyo Gas and a switch to a general gas enterprise is also being considered.

Previously there have been examples where petroleum companies have assisted management rationalization of affiliated specified agents. However, there are no prior examples nationwide where wholesale and retail businesses concerned have attempted to organize a business association transcending affiliation and interest has gathered inside and outside the LPG industry on whether it will succeed or fail.

Some Free Market Rice Cheaper Than Authorized Rice

OW1008100194 Tokyo KYODO in English 0943 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—Prices of rice traded on the free market have kept falling, with those for some brands dropping below those of rice sold through government-approved channels for the first time in about a year, market officials said Wednesday [10 August]. The officials said expectations of bumper rice harvests this year have been exerting downward pressure on rice prices.

Rice databank, a grain market research agency, said the Kirara 397 brand grown in Hokkaido was traded at 20,500 yen per 60 kilograms on the Kanto and Kansai markets on Wednesday, down 1,000- 1,400 yen from a week earlier. This means that free-market rice is cheaper than rice supplied by the National Federation of Agricultural Cooperative Associations (Zenno), which is priced at 20,866 yen at the wholesale level.

The popular Sasanishiki brand from Miyagi Prefecture was also traded at lower prices than Zenno rice. "It will not take much time before other brands' prices go down to levels below those for Zenno rice," a databank official said.

North Korea

North Red Cross Demands Repatriation of POW's

SK1008105094 Pyongyang KCNA in English 1034 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—The Central Committee of the DPRK Red Cross Society strongly demands once again that the South Korean Red Cross stop acting a maidservant of the Kim Yong-sam group intended to keep Kim In-so and Ham Se-hwan in South Korea on unreasonable pretexts, and take measures to send them back to the northern half of the country unconditionally and immediately in keeping with the noble Red Cross mission of humanitarianism.

This was stressed by a spokesman of the Central Committee of the DPRK Red Cross Society in an interview with KCNA today about the delayed repatriation of unconverted long- term prisoners, Kim In-so and Ham Se-hwan, from South Korea.

The spokesman told KCNA:

"The South Korean Red Cross argues that it cannot recognise Kim In-so and Ham Se-hwan as prisoners of war, taking issue with their guerrilla activities and 'acquisition of nationality.' But this is an unjustifiable sophism.

"The fact that Kim and Ham were detained in a POWs camp after being taken prisoner shows that they were recognised as prisoners of war.

"The South Korean Red Cross denies that they are POWs, because they conducted guerrilla activities. This is ignorant of international law.

"The argument that they were involved in raids on civilian houses, murder and arsons during their guerrilla activities is a sheer fabrication designed not to repatriate them.

"It was the 'ROK Army' and police that raided civilian houses and committed murder and arsons during their 'punitive operations' against guerrillas. This fact being brought to light today, it is a foolish attempt to blame the criminal acts on guerrillas.

"The question of 'acquisition of nationality' which is raised by the South Korean Red Cross as a pretext for refusing the repatriation of the two POWs is neither justifiable nor convincing.

"They had no other alternative but to acquire the 'nationality' of South Korea in order to survive because they, who should have been repatriated, were forcibly detained in South Korea. Have been repatriated. [sentence as received] It is a despicable and shameless inhumanitarian act to use it as a pretext for refusing their repatriation.

"It is stipulated in the preamble of the supplementary protocol of the Geneva Convention that the question of personality should be protected on the principle of humanitarianism even in case it is not envisaged in the laws and regulations in force.

"The South Korean authorities raise the question of 'defectors to the North' counter to the question of the repatriation of the unconverted long-term prisoners. This is also an unreasonable fault-finding.

"The South Korean authorities, while detaining on unreasonable pretexts those who should have been returned, try to raise the question of the defectors who came to the embrace of the North of their own accord, disillusioned about South Korean society. This is a plot to check the repatriation of the unconverted long-term prisoners whose hometowns are in the North and a despicable act of the guilty party filing the suit first.

"If the South Korean Red Cross refuses to return the unconverted long-term prisoners including Kim In-so and Ham Se-hwan, acting a maidservant of the authorities despite our repeated demands, it will have to be held fully responsible for the grave consequences arising therefrom."

Ko Sang-mun Reportedly Denies Abduction by North

SK1008110094 Pyongyang KCNA in English 1051 GMT 10 Aug 94

["Defector Ko Sang-mun Feels Irresistible Yearning for Fatherly Leader"—KCNA headline]

[Text] Pyongyang, August 10 (KCNA)—Ko Sang-mun who has come over to the North in 1979 called again at the statue of the great leader President Kim Il-song in Pyongsong, South Pyongan Province, on August 9 and honored his memory on the lapse of one month since he departed from us.

Noting that he felt irresistible yearning for the fatherly leader as days go by, he said that is why he comes to see his statue yesterday and today.

"Believing in the fatherly leader as in heaven, I have lived a life with no worries in his bosom for 15 years after I came over to the North," he said.

"I am overcome with bitter grief at the loss of the leader whom I followed like my own father", he noted with tears in his eyes.

He was firmly determined to follow the dear leader, our destiny, with mind and body by pushing ahead with scientific research more actively as sorrow grows deeper.

Saying that he was surprised at the behaviour of the South Korean authorities in cracking down on the people of all segments who expressed condolences over the death of the fatherly leader, he pointed out they are not human beings but moral-depraved men.

He, 47, is engaged in research at the scientific institute where Yi Tae-mun works.

Saying that when he came back from topographical survey with postgraduates he heard the news that the South Korean authorities let loose a string of balderdash that he and other defectors to the North were "kidnapped", he expressed indignation at this.

He said that he had no more to tell about the South Korean authorities who talk about human rights, not expressing condolences over the death of the leader, the father of the nation, against ethics and morality.

"As clearly clarified at the press conference with home and foreign reporters in 1979, I have come over to the northern half of Korea of my own accord because of the persecution by the South Korean authorities," he noted, telling they should not utter nonsense.

"The South Korean authorities must not pull up a man who is living with no worries," he stated.

Interview With Ko Reported

SK1008083794 Pyongyang Radio Pyongyang in Korean to South Korea 1530 GMT 9 Aug 94

[Interview with Ko Sang-mun by station reporters Min Yong-nim and Mo Myong-hwa: "The South Korean Puppets Should Stop Vicious Propaganda"; place and date not given—recorded]

[Text] [Min Yong-nim] I am a reporter from (?the Korean Central Broadcasting Committee). Are you Mr.

Ko Sang-mun? Are you now visiting the statue of the great leader Comrade Kim Il-song at [words indistinct]?

[Ko Sang-mun] Yes, I am. One month has passed since the fatherly leader left us. My longing for the fatherly leader increases with each passing day, so I am visiting the fatherly leader's statue.

For the 15 years since I defected to the North, I have lived comfortably under the fatherly leader and have had a firm belief in him. The fatherly leader was just like my own father. His passing away left me in deep sorrow beyond description. Despite the great sorrow, however, I will push forward with my scientific research work. I pledge that I will firmly follow the dear comrade leader, our destiny, devoting all my mind and body to him.

[Mo Myong-hwa] During the mourning period, the entire nation could not help feeling indignant at the intolerable act committed by the South Korean persons in authority.

[Ko Sang-mun] I was surprised at the behavior of the South Korean persons in authority. It is very regrettable that they displayed such ill behavior when the entire nation, sunk in sorrow losing the father of the nation, and the entire world were mourning.

[Min Yong-nim] They are (?beasts) wearing a mask of a human being. [sentence indistinct]

[Ko Sang-mun] The South Korean authorities are babbling that we, the defectors, from the South were abducted to the North. Their allegation is so absurd, I was just going to ignore it.

We, the defectors, are well aware of the dignity of our northern half of the Republic. Therefore, I cannot remain silent. Because they are not worthy, I will make only a brief comment.

As I made clear at the press conference with domestic and foreign reporters in 1979, the persons in authority in the South should listen to this. I, Ko Sang-mun, am a defector to the North who came to the northern half of the Republic voluntarily because of your oppression. So, please stop the vicious false propaganda. Why do you continue provoking me—who is living here peacefully?

I have a little more to say. But I will say it later when the opportunity arises. I think that is all I will say for today.

Thank you for your sparing me your precious time today.

[Min and Mo] Thank you.

ROK's 8 Aug Hanchongnyon Activities Reported

SK1008051994 Pyongyang KCNA in English 0432 GMT 10 Aug 94

["Struggle of South Korean People"—KCNA headline]

[Text] Pyongyang, August 10 (KCNA)—Some 400 students of the cross-country pilgrimage squad of the vanguard detachment for the great unity and reunification of the nation under the South Korean Federation of General Student Councils (Hanchongnyon) of South Korea left East Taegu Railway Station by a Pusan-Seoul train at dawn on August 8, defying suppression by the fascist clique, according to a radio report from Seoul.

Meanwhile, 350 students of Hanchongnyon who arrived in Taejon at seven in the afternoon via Kwangju and Kunsan after they left Mokpo entered a sit-down at the station plaza, chanting slogans for reunification.

They had planned to join students from Taegu staying in Hannam University. But, failing to join them due to obstructions by the riot police, they started the sit-down, loudly shouting anti- "government" and reunification slogans.

Almost at the same time, the students who had gathered at Hannam University attempted to take to the streets, clashing with the riot police.

The South side Headquarters for the Promotion of the Fifth Pan- National Rally [PNR] called a press conference at the office of the National Alliance for Democracy and Reunification (Chongukyonhap) in Songbuk district, Seoul, on August 9. It charged that the "government" was persisting in its unprecedented suppression by blocking all functions of the pan-national rally at the initial stage and urged the authorities to immediately stop the crackdown upon the pnr and the civilian reunification movement.

The South side Headquarters for the Promotion of the PNR declared that it would strive to open a cultural festival of the PNR in the Hangang Citizens Park so that more citizens might participate in the rally.

Anti-Kim Yong-sam Literature Scattered in South

SK1008051594 Pyongyang KCNA in English 0427 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—Copies of a literature denouncing brutal suppression by the Kim Yong-sam "regime" were scattered around universities in Seoul of South Korea some time ago, the Seoul-based radio Voice of National Salvation reported.

Pointing out that the cold wave of the "new security-oriented rule" is now sweeping South Korea, the literature said that human history recorded such fascist tyrants as Hitler and Tojo, but does not know such an instance as raiding incense-burning places and arresting mourners as the Kim Yong-sam clique did.

"The present 'regime' which appeared under the mask of 'civilian politics'", the literature said, "is an anti-ethical and immoral fascist one without an equal in the world. If it persists in its one-sided policy of tough suppression, paying no heed to the will and aspirations of the people, the one million students will throw 'Chongwadae' into the dustbin of history."

It urged a halt to the crackdown upon the South Korean Federation of General Student Councils (Hanchongnyon) and the students of the chuche idea group, the scrapping of the "National Security Law", dissolution of the "Agency for National Security Planning" and the resignation of the present "regime".

Japan Urged To Liquidate Past 'Outsized Crimes'

SK1008132394 Pyongyang Korean Central Broadcasting Network in Korean 0850 GMT 10 Aug 94

[Unattributed talk: "One Cannot Prevaricate One's Past Crime"]

[Text] The issue of liquidating the past is an important task the Japanese Government should resolve before the international community.

The Japanese imperialists invaded Asian countries in the past and inflicted misfortune and pain on the people of these countries.

The Japanese imperialists, in particular, occupied our country by means of force for more than 40 years, and destroyed and plundered our material and cultural assets indiscriminately. They recruited some 6 million people by means of force, massacred about 1 million people, and forced 200,000 women to be their sexual slaves. Thus, they committed outsized crimes unprecedented in history of mankind.

This being the case, it is a unavoidable duty for Japan to liquidate its past of crime in view of international law and humanitarian standpoint.

Nevertheless, in a news conference on 1 July, the Japanese Government authorities said that post-war compensation between the nations has been completed. If Japan has cleanly liquidated its past, as its government authorities claim, then, why are a number of victims and countries demanding to Japan for its prompt solution constantly and strongly?

Today the international community is strongly demanding that Japan should admit its past of aggression and apologize for this, and as a practical token for not repeating such crime in the future, it should make compensation.

Even during the past one month of July alone, more than 50 organizations and groups carried out various forms of struggle in many countries and areas, including Taiwan, Hong Kong, Singapore, Netherlands, England, the United States, Australia and New Zealand, to demand Japan's liquidation of the past.

Today the issue of Japan's liquidation of the past has become a standard for deciding on whether Japan, which was an aggressive nation, is truly striving to get rid of its past of aggression or it is scheming to repeat aggression again in the future.

The more frantically Japan is attempting to avoid and drag on liquidation of the past, the more clearly is its criminal nature being revealed. Thus, this is driving Japan into a more miserable corner.

Facts about Japan's filthy past crime have been constantly exposed in actuality. The horrible incident of the Japanese imperialists eating human flesh was exposed in Australia, and following this, in the Philippines, too.

Besides, the lists of those who were forcibly recruited and of women who were taken away as comfort girls for the military have been discovered one after another. Thus, the Japanese imperialists' brutal crimes in past have been exposed by victims and conscientious people.

In particular, the incident of massacring numerous Koreans who were forcibly recruited by the Japanese imperialists just before and immediately after Japan's defeat, as well as the incident of inhumanely treating and disposing of the comfort girls for the military, have been exposed.

Japan can never equivocate its past crime. The issue of Japan's liquidation of its past is not only the issue of compensating loss to victimized countries, but also the issue of making Japan pledge not to repeat its act of aggression in the future before the international community.

However, Japan is going counter to this. Japanese Government authorities undisguisedly exposed their intention to repeat their past of aggression. Such intention is revealed in their attempt to embellish and decorate their past crimes.

Nagano, former Japanese minister of justice, claimed that the Japanese invasion of Asian countries was not an invasion, but was designed to liberate colonies. In addition, Hata, former prime minister, insisted that the war which Japan provoked in the past cannot be called a war of aggression.

This proves that the Japanese militarist forces have not discarded their ambition to recover their old military order.

Japan's intention to again embark on aggression has been revealed in the fact that it is accelerating its becoming a big military power and increasing its nuclear armament and is preparing for wartime mobilization system in an emergency.

While advocating security of the world, the Japanese authorities formulated a military budget that ranks the second in the world. They are actively pushing ahead with modernization of arms and equipment of self-defense forces and with their mobile and remote- control system.

Japan has already achieved sufficient material and technological preparations for manufacturing nuclear weapons, and has manufactured even nuclear warheads which will function with only the necessary amount of plutonium loaded. Japan possesses even long-range delivery rockets.

By fabricating emergency law and revising the law on self-defense forces, the Japanese authorities have established a wartime mobilization system—an emergency system—and legalized dispatch of self-defense forces overseas and their military action. Besides, they are attempting to mobilize all manpower and material resources for armed reinvasion.

It is not an accident that today the Asian countries are directing vigilant eyes toward Japan. Japan should sincerely liquidate its past crimes.

Japan should, first, investigate all materials regarding its past crimes, and officially announce them. The more Japanese authorities are trying to conceal, embellish, and decorate their past forcible recruitment and criminal acts, claiming that they have no concrete materials, the more nakedly will Japan's shamelessness and cunning nature be exposed.

It is a fair resolution method for liquidating the past to take punitive judicial action against those responsible for past crimes. The Japanese Government should formulate domestic laws and take punitive judicial action against those responsible for incidents of past crime by carrying out court trials. By doing this, the Japanese Government should show an attitude of self-examination.

What is important for Japan in liquidating its past is to make compensation to the people of numerous countries on which Japan inflicted damages. The compensation should not be related only to a certain amount of money. Recovery of original status of those who suffered damages caused by anti-humane crimes of Japanese imperialists will never be possible even with an enormous amount of money.

Compensation demanded by the victims of forcible recruitment in the past and of criminal acts against comfort girls for the military is none other than to regain their lost dignity and worth as human beings, even belatedly, and to recover human rights and honor. This being the case, the issue of compensation will be a material proof [mulchok chungpyo] for Japan to reflect on and liquidate its past and to express its will for a new start.

If the Japanese ruling quarters continually evade compensation, this will only reveal their intent to again commit anti-humane crimes.

Some time ago, Germany's DPA News Agency wrote that Japan merely made a superficial apology despite continuous demands by the Asian countries, and has not made any compensation. In addition, a magazine in Hong Kong said that expressing willingness to take responsibility for crimes committed a half century ago will be a token showing that Japan has become sensible.

Japan can never conceal nor equivocate its past crimes forever. Japan should initiate, even now, the work of cleanly liquidating its past, according to the demand of the international community, including Korean and Asian people.

Meeting Held To Welcome Cuban Lawyer

SK1008104494 Pyongyang KCNA in English 1016 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—A meeting was held Tuesday at the Korea-Cuba Friendship Yongsong Meat Processing Plant to welcome Cuban woman lawyer Candelaria Rodriguez on a visit to Korea.

The lawyer and Cuban Ambassador Jose Ramon Rodriguez Varona and his embassy officials were invited.

Vice-chairman of the Korea-Cuba Solidarity Committee Kim Chin-pom and other officials concerned were present together with employees of the plant.

The attendants observed a silent tribute to the memory of the great leader President Kim Il-song.

Speaking at the meeting, the director of the plant said that Candelaria Rodriguez greatly encouraged the Korean people by conducting righteous activities after she visited Korea, as a fact- finding group member of the Women's International Democratic Federation, during the fatherland liberation war.

"The Korea-Cuba friendship and solidarity, based on the special intimacy between the respected leader Comrade Kim Il-song and esteemed Comrade Fidel Castro Ruz, is now coming into fuller bloom under the deep care and solicitude of Comrade Kim Chong-il, the illustrious leader of our party and our people," he said.

He stressed that the Korean people would in the future make all possible efforts to further strengthen and develop the friendly and cooperative relations with the Cuban people in the common struggle against imperialism and for independence, peace and socialism.

Candelaria Rodriguez said in her speech that the great leader Comrade Kim Il-song had turned Korea into an independent and self- supporting country and a powerful country self-reliant in defence, where the entire people are fully ready to defend the fatherland together with the People's Army.

"The great leader boundlessly loved his people and country and, with rare insight, wisdom and clairvoyance, had made the Korean people hold dear Comrade Kim Chong-il in high esteem as the supreme leader of Korea," she noted, and went on: "Though he had departed from us he always remains as the father in the minds of the Korean people and the entire Korean compatriots overseas and in our hearts."

Pointing out that dear Comrade Kim Chong-il, who most perfectly personifies the idea of the great leader and carries it into practice, is now leading the great nation, she said: "Comrade Kim Chong-il, supreme commander of the Korean People's Army, has long ago displayed to the Korean people and the world his rare wisdom, insight and tested leadership ability and matchless grit as the genius of thought and theory and the illustrious leader."

"Even if I dedicated all my life, I would fail to repay the love of the great leader," she said, and stressed that she would actively help dear Comrade Kim Chong-il in accomplishing President Kim Il- song's revolutionary cause of chuche.

Guinean Official, Italian Party Leader Arrive

SK1008043094 Pyongyang KCNA in English 0404 GMT 10 Aug 94

[Text] Pyongyang, August 9 (KCNA)—Alhassane Balde, adviser to the Guinean presidential office, and his entourage and Oliviero Diliberto, member of the leadership and the secretariat of the Communist Re-establishment Party of Italy and president of Liberazione, the organ of the party, and his companion arrived here today.

Kim Chong-il 'Recovered' Health After Treatment

OW1008110794 Tokyo YOMIURI SHIMBUN in Japanese 10 Aug 94 Morning Edition p 5

[By correspondent Takuji Kawata]

[Text] Seoul, 9 Aug—An informed source in Seoul commenting on the health of Secretary Kim Chong-il of North Korea, disclosed on 9 August that prominent Chinese herbal medicine doctors treated Kim twice, last fall and this spring, and there are no signs at the moment that his health is deteriorating. The prominent Chinese doctors are said to have treated Chinese paramount leader Deng Xiaoping. Secretary Kim Chong-il is said to have recovered his health after being treated twice by the Chinese doctors.

Security Officers Vow Loyalty to Kim Chong-il

SK1008095094 Pyongyang Korean Central Broadcasting Network in Korean 1000 GMT 9 Aug 94

[Excerpts] One month has passed since the great leader Comrade Kim Il-song's death. In this connection, all people across the country have laid wreaths at the statues of the great leader situated in various places, and firmly pledged their loyalty.

The officers and men of the Ministry of Public Security and people from various walks of life in the Sunan District of Pyongyang also laid wreaths and bouquets of flowers at the statues of the great leader, and firmly pledged their loyalty to uphold the leadership of the respected and beloved supreme commander General Kim Chong-il.

Comrades (Yim Yung-so), general officer of the Ministry of Public Security; and (Yi Su-kyong) and (Choe Chae-suk), officers of the ministry; and (Chon Chun-ha), management committee chairman of the Tongsan Cooperative Farm in the Sunan District of Pyongyang, say:

[Begin recording] [(Yim Yung-so]) One month has passed since we heard of the sudden and unexpected sad news about the great leader's death. [passage omitted on remarks mourning over and eulogizing Kim Il-song]

The past month has not been one of sorrow and tears, but one during which the greatness of the great leader has boundlessly soared, and which all of our people have fervently realized the greatness of the great leader at a higher level and cultivated a greater will. Those days have been ones in which they have tearfully overcome, with effort and courage, the great sorrow over the loss of the great sun of mankind and the benevolent father of the nation.

[(Yi Su-kyong]) Yes. During this period, looking back on the immortal revolutionary achievements by the great leader, we have further realized that the great leader had really been sent by the heaven and he was a matchless (?benevolent) father of people. The days in the past month have been ones in which we have more deeply realized that the great leader [suryongnim] of our people is the dear comrade leader, and the dear comrade leader is the great leader [suryongnim]. [passage omitted on remarks praising Kim Il-song's leadership over the Ministry of Public Security]

Our (?functionaries) of the Ministry of Public Security are full of a firm resolve to better uphold the respected and beloved supreme commander General Kim Chong-il, still not overcoming the guilty conscience of having failed to boundlessly uphold the great leader.

[(Choe Chae-suk]) [passage omitted on remarks eulogizing Kim Il-song] As the (?next generation) of revolution who have only received love and benevolence of the fatherly leader, we deeply realize once again the mission and duty as the revolutionary vanguards who are standing at the head in defending our supreme commander General Kim Chong-il. What did the great leader so ardently wish during his lifetime? Is it that we should be devotedly loyal to the respected and beloved comrade supreme commander forever, upholding him as the ever-lasting sky and sun of our nation? As the young communists (?in the twenties) fought, fervently upholding the great leader as the sun of the nation, we firmly resolve ourselves to serve as the fortresses and shields, and guns and shells defending the respected and beloved comrade supreme commander, the great leader [yongdoja] of our party and people, in a death-defying manner. [end recording] [passage omitted]

Kim Chong-il Sends Thanks for Foreign Condolences

SK1008050594 Pyongyang KCNA in English 0423 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—The dear leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, sent messages to state leaders of foreign countries in reply to their messages of condolence over the death of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

He replied to Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba; Norodom Sihanouk, king of Cambodia; Jerry John Rawlings, President of the Republic of Ghana; Cheddi Jagan, president of the cooperative Republic of Guyana; Nicholas Brathwaite, Prime Minister of Grenada; Lansana Conte, President of the Republic of Guinea; Sam Nujoma, president of the Republic of Namibia; Sani Abacha, head of state and commander-in-chief of the Armed Forces of the Federal Republic of Nigeria; Birendra Bir Bikram Shah Dev, king of Nepal; Violeta Barrios De Chamorro, president of the Republic of Nicaragua; Ion Iliescu, president of Romania; Boris N. Yeltsin, President of the Federation of Russia; Algirdas Brazauskas, President of the Republic of Lithuania; Kiro Gligorov, President of the Republic of Macedonia; Bakili Muluzi, President of Malawi; Zafy Albert, President of the Republic of Madagascar; Maumoon Abdul Gayoom, President of the Republic of Maldives; Tuanku Jaafar Ibni Almarhum Tuanku Abdul Rahman, king of the Federation of Malaysia, and Datuk Seri Dr. Mahathir Bin-Mohamad, Prime Minister of Malaysia; Ugo Mifsud Bonnici, President of the Republic of Malta; Joaquim Alberto Chissano, President of the Republic of Mozambique; Punsalmagiin Ochirbat, President of the State of Mongolia; Clifford Daring, governor-general of the Commonwealth of the Bahamas; President Abdur Rahman Biswas and Prime Minister Khaleda Zia of the People's Republic of Bangladesh; Zhelyu Zhelev, president of the Republic of Bulgaria; Q.K.J. Masire, president of the Republic of Botswana; Sylvestre Ntibantunganya, interim president of the Republic of Burundi; Rafael Caldera, president of the Republic of Venezuela; Manuel Esquivel, prime Minister of Belize; Miguel Trovoada, president of the Democratic Republic of Sao Tome and Principe; Otto Stich, president of the Swiss Confederation; Michal Kovac, president of the Republic of Slovakia; Ong Teng Cheong, president of the Republic of Singapore; Abdou Diouf, president of the Republic of Senegal; Mobutu Sese Seko Kuku Ngbendu Wa Za Banga, president of the Republic of Zaire; P.J. Patterson, prime minister of Jamaica; Vaclav Havel, president of the Czech Republic; First Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen of the Royal Government of Cambodia; Daniel T. Arap Moi, president of the Republic of Kenya; Bhumibol Adulyadej, king of Thailand; Ali Hassan Mwinyi, president of the United Republic of Tanzania; Noor Hassanali, president of the Republic of Trinidad and Tobago; President Sardar Farooq Ahmed Legari and Prime Minister Benazir Bhutto of the Islamic Republic of Pakistan; Paul Biya, president of the Republic of Cameroon; Nursultan Abishevich Nazarbayev, president of the Republic of Kazakhstan; Pascal Lissouba, president of the Republic of the Congo; Askar Akayev, president of the Republic of Kyrgyzstan; Emomali Sharipovich Rakhmonov, head of state and chairman of the Supreme Soviet of the Republic of Tadzhikistan; Gnassingbe Eyadema, president of the Republic of Togo; Governor-General Clevent Arrindell and Prime Minister Kennedy Simmonds of St. Kitts-Nevis; Mario Soares, president of the Republic of Portugal; Lech Walesa, president of the Republic of Poland; Alberto Fujimori Fujimori, president of the Republic of Peru; Levon Ter-Petrosyan, president of the Republic of Armenia; Geidar Aliyevich Aliyev, president of the Republic of Azerbaijan; Burhanuddin Rabbani, president of the Islamic State of Afghanistan; Yoweri Kaguta Museveni, president of the Republic of Uganda; Zoran Lilic, president of the Federal Republic of Yugoslavia; Akbar Hashemi Rafsanjani, president of the Islamic Republic of Iran; Suharto, president of the Republic of Indonesia; President Shankar Dayal Sharma and Prime Minister P.V. Narasimha Rao of the Republic of India; and Arpad Goncz, president of the Republic of Hungary.

In the reply messages, Comrade Kim Chong-il expressed deep thanks to them for their messages carrying deep condolences over the death of President Kim Il-song.

Signs Messages as 'Commander'

OW1008140994 Tokyo KYODO in English 1346 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 KYODO—North Korean de facto leader Kim Chong-il, signed recent messages to foreign leaders with, "chairman of the National Defense Committee and supreme commander of the Korean Peoples' Army," Pyongyang Radio reportedly said Wednesday [10 August].

The Tokyo-based Korea News Service, which monitors North Korean news, quoted Radio Pyongyang as saying Kim used the titles in replies to messages of condolence from Cuban President Fidel Castro, Cambodian King Norodom Sihanouk and Russian President Boris Yeltsin following his father Kim Il-song's death on July 8. Telegrams sent to South Korea and Koreans in other countries were signed, "the Dear Leader, Comrade Kim Chong-il," Korea News Service said.

Responses to messages sent from China's paramount leader Deng Xiaoping, President Jiang Zemin, Premier

Li Peng and Qiao shi, chairman of the Standing Committee of the National Peoples' Congress, were jointly signed in the name of the party's Central Committee, the Central People's Committee and the Administration Council. They did not bear the name of Kim Chong-il.

Since the elder Kim's death, North Korea has also sent messages marking the national days of Colombia, Egypt in the name of the Central People's Committee. Although Kim is heir apparent, he still has not officially been given the positions of president and general secretary of the ruling party, titles held by his father.

Groups Send Replies to PRC's Deng, Others

SK1008041594 Pyongyang KCNA in English 0402 GMT 10 Aug 94

[Text] Pyongyang, August 9 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK], the Central People's Committee [CPC] and the Administration Council sent messages to Comrade Deng Xiaoping and party and state leaders of China in reply to their messages of condolence on the death of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

The WPK Central Committee sent a reply to Comrade Deng Xiaoping.

The WPK Central Committee, the Central People's Committee and the Administration Council of the DPRK sent a reply to Comrade Jiang emin, general secretary of the Central Committee of the Communist Party of China, chairman of the military commission of the Central Committee of the CPC and president of the People's Republic of China; Comrade Li Peng, premier of the state Council of the people's Republic of China; and Comrade Qiao Shi, chairman of the standing committee of the National People's Congress of the PRC.

The reply messages expressed heartfelt thanks to them for their deep condolences on the death of Comrade Kim Il-song.

The reply messages expressed the belief that the traditional Korea-China friendship would grow stronger and develop with the passage of time.

Foreign Papers Laud Kim Il-song's Achievements

SK1008043394 Pyongyang KCNA in English 0410 GMT 10 Aug 94

["President Kim Il-song Performs Great Exploits for Mankind"—KCNA headline]

[Text] Pyongyang, August 10 (KCNA)—Foreign publications carried articles lauding the revolutionary exploits of the great leader President Kim Il-song on his death.

The Portuguese paper NOTICIAS DA AMADORA devoted one whole page to a special writeup on the revolutionary exploits of President Kim Il-song, together with his portrait.

Under the title "President Kim Il-song Passes Away" the paper said:

The entire Korean people are overwhelmed by deep sadness and sorrow over the death of President Kim Il-song.

This sadness and sorrow of the Korean people are an expression of their deep respect and reverence for President Kim Il-song who devotedly worked all his life for the freedom and happiness of the people and their sincere feelings of greatest pains at the loss of the true leader of the people.

He was always among the people. He liberated the country from Japanese imperialist occupation and turned backward Korea into an independent and powerful country.

He founded the chuche idea, applied it to the Korean revolution, wrote many works and systematized the chuche idea theoretically.

President Kim Il-song left a very valuable theoretical and cultural wealth, great edifices and brilliant exploits to the country and the people and made the Korean people a proud and happy people.

The Yemeni paper AL SAURA highly praised the exploits of President Kim Il-song, saying:

President Kim Il-song was a legendary great man and a rare leader. He led the anti-Japanese resistance and energetically worked as the supreme leader of Korea till his death after the liberation of the country.

President Kim Il-song was the leader of the communist movement who maintained independence. Korea made a great success in the time of President Kim Il-song.

We believe Comrade Kim Chong-il will turn Korea into a more developed country.

The Nepali paper DRISTI, the Hungarian paper SZABADSAG and the Palestinian magazine ILAL AMANG also carried articles praising the revolutionary exploits of President Kim Il-song.

Kim Il-song's Affection for People Described

SK1008110294 Pyongyang KCNA in English 1042 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—The great leader President Kim Il-song was the affectionate father of the families of the whole country.

The fatherly leader who was born with love for the people as his natural disposition, always found himself among them. He called at the families of workers and farmers, dropped in shops to acquaint himself with the quality and variety of mass consumption goods and visited workers' hostels and warmly looked after them so that they might enjoy a life without worries and cares.

Calling at a worker's home in Samjiyon County, Yanggang Province, in the northern border area of the country in August 1963, the respected leader acquainted himself with the family life. He saw if there was kimchi, a favorite of the Koreans, and made sure that cabbage, radish and other vegetables were supplied from the plain areas and, afterwards, took measures to breed the vegetables suitable to the climate of the highlands.

He visited a farmer's family of the Onpo cooperative farm in Kyongsong County, in June 1972 and saw if the waterworks operated normally. In July , 1980, he went round a 15-storied apartment house built in Namchongjin, where he dropped in a furnaceman's family, lifted the lids of pot of soy and bean paste and tasted them.

In June 1966, he went to workers' hostels of the Kangson steel works and the Taean electric apparatuses factory (as they were called in those days) and took care that the workers live without inconvenience, inquiring about the quality of their meals and the thickness of their quilts.

While on a trip of on-the-spot guidance, he congratulated a demobilized soldier on his wedding at a rural village, arranged a sixtieth birthday table for Kim Sa-kap in Chongok village of Singye County who greeted her sixtieth birthday without children, dropped in the house of an Army dependent family and read a letter from its son, a soldier, sharing the joys with it.

He became the father of Choe Yong-ok and her three sisters who had lost their parents, and brought them up to be full-fledged officials of the country with loving care.

Countless are stories about the loving care shown by the fatherly leader to the families of the whole country.

So the Korean people enjoyed a happy life to their heart's content not knowing any worries and cares under the utmost love and care of respected President Kim Il-song, revering him as the father of all families of the country.

The entire people have spent many sleepless nights, overcome by bitter grief at the loss of the affectionate and tender-hearted fatherly leader. They are now advancing more vigorously to accomplish the revolutionary cause of chuche, upholding the dear leader Comrade Kim Chong-il with loyalty, true to the behests of the great leader.

Kim Il-song's Work on Popular Art Published

SK1008105694 Pyongyang KCNA in English 1045 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—The Workers' Party of Korea publishing house recently brought out "On Creating More Popular Art Works", a work of the great leader President Kim Il- song, in booklet.

The work is a talk given by President Kim Il-song to officials on February 11, 1991 when he visited the Mansudae art studio.

Clearly expounded in the work are the idea, policy and ways of more excellently developing the chuche-based fine arts of Korea, which has brilliantly effloresced under the meticulous guidance of the dear leader Comrade Kim Chong-il, in keeping with the aspirations and demands of the popular masses.

In the work, President Kim Il-song said that the Korean painting is characterized by peculiar, powerful, beautiful and noble art of drawing and form, and clearly indicated tasks to create embroideries and gem and oil paintings by the technique of the Korean painting.

And he clarified questions of principle arising in creating groups of sculptures, monuments, mosaic murals, fur and ceramic crafts.

President Kim Il-song laid stress on training many talented creators and producing more popular art works generation after generation.

Chuche Idea Seminar Held in Pyongyang 5-9 Aug

SK1008111694 Pyongyang KCNA in English 1103 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—A chuche idea seminar on the present era and the path of the cause of independence took place here from August 5 to 9.

It was attended by secretary general of the International Institute of the Chuche Idea (IICI) Kenichi Ogami, members of the IICI Secretariat, the delegation of the Japan National Liaison Council of Societies for the Study of Kim Chong-il's works, chairmen and members of the societies for the study of Kim Chong-il's works formed in Tokyo, Hokkaido, Nagano, Gumma, Saitama, Kanagawa, Shizuoka, Osaka, Tokushima, Kochi, Fukuoka, Okinawa and other parts of Japan, members of the Red Flower Society in Tokyo, the Society of Independence, the Japan Society for the Study of Kimilsungism and the Society for the Study of Korean Affairs of the National Railway Workers Union, academic figures and members of friendship organizations.

Pak Yong-kon, chairman of the Association of Korean Social Scientists in Japan and director of the IICI board, who is staying in the socialist homeland was on hand.

Also present there were Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Association of Korean Social Scientists, Ki Chi-su, president of the Academy of the Chuche Idea, and officials concerned.

The participants in the seminar observed a silent tribute to the memory of the great leader Comrade Kim Il-song, who performed undying feats in the accomplishment of the human cause of independence by founding the immortal chuche idea.

Then, speeches were made.

Masaji Ie, professor of the Kobe University of Foreign Studies and chief advisor to the Japan National Liaison Council of Societies for the study of Kim Chong-il's works, delivered a speech under the subject "The revolutionary idea of Comrade Kim Chong-il and independence."

He quoted Comrade Kim Chong-il as saying the independent world means a world where there is no domination, subjugation, interference and pressure and all the countries and nations fully exercise their sovereignty as the masters of their own destinies.

He stressed that the present era is vigorously advancing, promoting the cause of independence with the chuche idea, a new genuine guiding idea, and under the guidance of Comrade Kim Chong- il, the leader of the 21st century.

The chairman of the Tokyo society of working people for the study of Kim Chong-il's works, Etsuo Watanabe, made a speech under the subject "Universality of Comrade Kim Chong-il's revolutionary idea and the independence of Japan."

He said the revolutionary cause of President Kim Il-song, who passed away suddenly after ushering in the era of independence and performing great exploits in the world history, has been properly carried forward by Comrade Kim Chong-il.

"We, who have been able to cover the powerful road of life worthy of man since we got an understanding of President Kim Il-song and the chuche idea, will keep him always in our memory and follow only Comrade Kim Chong-il, thus pushing ahead with the struggle for the independence of Japan."

A member of the Tokyo Society for the Study of Kim Chong-il's Works, Kazuko Nishimura, spoke of the issue of the establishment of national sovereignty.

"I think it is the idea of Comrade Kim Chong-il to achieve unity for independence, transcending the ideology and political view of the nation," she said, and added:

"In order to bring the strength of the people into full play and defend independence, it is necessary to get a deeper understanding of this idea."

Kenichi Taira, chairman of the Okinawa Society for the Study of Kim Chong-il's Works, made a speech under the subject "The issue of education viewed from the chuche idea," Dr. Choe On-kyong, senior researcher of the Institute of Philosophy of the Academy of the Chuche Idea, a speech under the subject "Great man" and Dr. An Hyon- chol, director of the Institute of Philosophy of the Academy of the Chuche Idea, a speech under the subject "Theory on the socio- political integrity of chuche."

A letter to the illustrious leader of our party and our people Comrade Kim Chong-il was adopted at the seminar.

Talk Stresses Self-Reliant Heavy Industry

SK1008130494 Pyongyang Korean Central Broadcasting Network in Korean 0530 GMT 9 Aug 94

[Unattributed talk: "Reliable Heavy Industry Will Guarantee the Mighty Self-Reliant Economy"]

[Text] Heavy industry is the leading sector that occupies the central position of the self-reliant national economy based on the characteristics of the material and technological basis of socialism. Without creating a self-reliant heavy industry, the independence of the country's political and economic independence cannot be secured, and the general development of the people's economy, including light industry and agriculture, cannot be conceived.

Therefore, since the first day after the liberation, the great leader gave priority to the development of a solid heavy industry of our own and chuche-oriented key industries and wisely led the struggle to achieve development. The great leader Comrade Kim Il- song taught: Concerning the development of heavy industry, our party's line is to create our own heavy industrial center that is equipped with new technology, to construct using mainly domestic natural resources and raw materials, and to produce and guarantee materials, raw materials, fuel, energy, and machinery equipment required by our people's economy fundamentally within the country. In other words, the line is to create a self-reliant and modern heavy industry.

As we recall, the basis of our country's heavy industry was very weak right after the liberation. The Japanese imperialists built several heavy-industry plants with an aim to exploit the colony, but they were technologically backward, inefficient, and partial. Even those were destroyed when the Japanese ran away after they were defeated. After the liberation, a number of heavy-industry plants were restored, but were destroyed again due to the war erupted by the U.S. imperialists. Our people had to buildup heavy industry on an empty land.

However, the great leader Comrade Kim Il-song inspired all the party members and people by giving chuche-oriented guidance to works and presenting a fundamental line for socialist economic construction that develops heavy industry on a priority basis and promotes light industry and agriculture at the same time. Upholding the great leader's wise leadership, our people tightened our belts and saved every penny to build a chuche-oriented and diverse self- reliant heavy industry that serves our own people with our own strength, fully equipped with fundamental structures based on our own resources, and thereby unsparingly displayed the indomitable spirit of the heroic Korean people.

Our people have completed industrialization, which took others tens and hundreds of years, in a short period of only 14 years, and built up a reliable heavy industry that has remained unshaken during any global economic crisis, and any attack [konggyok] and maneuvers of the enemies, through the seventies and eighties till today in the nineties by genuinely contributing to the development of light industry and agriculture. It is a brilliant fruition of the wise leadership of the great leader and the dear comrade leader and clear proof of the correctness and vitality of our party's line of economic construction. It is also a lofty result of the patriotic sincerity of our people, who upheld the leadership of the party and the leader with loyalty and waged a persistent struggle.

Paek Chon-ung, unit chief of the Central Statistics Bureau, said:

[Begin Paek recording] Had we not built such a strong and self-reliant heavy industry as today, we could not have imagined the self-reliant national economy or the nation's independence and the people's happy lives. Under the wise leadership of the great leader and comrade dear leader, our people smashed all the (?sophism) of the reactionaries and colonialists, and on an empty land with nothing, our people tightened their belts with the spirit of self- reliance and fortitude, recovered, restored, and expanded iron and steel plants, developed mines and coal mines, and modernized plants and enterprises. Thus, our people were able to achieve today's diverse development that firmly guarantees the socialist material and technological basis and build the self-reliant and modern heavy industry strengthened with new technologies based on our own materials and resources. [end recording]

One of the greatest achievements established by our party and our people in the construction of the heavy industry is creating our own firm machinery production industry and modernized machinery industry. The machinery production industry is the core of heavy industry. Its speedy development is an important condition of the construction of the self-reliant national economy.

Under the wise leadership of the great leader and comrade dear leader, the machinery industry, which is the core of industries and basis of technological revolution, has developed in leaps and bounds. Huichon Machine Tools General Plant, Yongsong Combined General Bureau of Machinery, Sungni General Motors Plant, Taehan Heavy Machinery Complex, Kumsong Tractor General Plant, Kim Chong- tae Electric Locomotive Complex, and many other modern machinery production centers have been built. They have produced large-capacity energy facilities, large ships, a 10,000-tonne press, 18,000 cubic-meter large-scale oxygen separators, 7,000-horsepower [hp] electric locomotives, 10 cubic-meter large-scale excavators, 300-hp large-scale bulldozers, general coal cutters, high-speed excavating machines, large-scale and special precision machines, modern automation elements and meters, and various machinery products.

Such development in the machinery industry repaired all domains of the people's economy, including heavy industry, with modern technology, and provided a reliable basis that firmly guarantees the country's political and economic independence and self-reliance.

Under the wise leadership of the great leader and comrade dear leader, chuche-oriented energy centers have also been firmly built in our country. Changjagang Power Plant, Kangye Youth Power Plant, Paechon Power Plant, Wiwon Power Plant, Sunchon Thermoelectric Power Plant, Namgang Power Plant, many lockgate power plants and large- scale hydroelectric and thermoelectric power plants, and numerous small-to-medium sized power stations have been newly built or expanded.

As a result, electricity production in 1993 increased by 30 percent compared with that in 1986. Our power supply industry has been more firmly strengthened into a chuche-oriented and self- reliant energy center equipped with modern technology based on our own abundant resources.

That the party's line to make the iron manufacturing industry the most important part of the processing industry has been excellently implemented, and chuche character and self-reliance of the metal industry has been strengthened, is another fact for our heavy industry to be proud of.

Coal production increased by 40 percent in 1993 compared with that in 1987, nonferrous metal and ore production by 60 percent, and steel production by 30 percent in the same period. The country's raw material and fuel centers have been expanded and strengthened, the fundamental structure of the metal industry has been completed, and all the sectors are developing in harmony.

The country's chemical center has also been strengthened. Hungnam Fertilizer Complex, 8 February Vinalon Complex, Sunchon Vinalon Complex, Namhung Youth Chemical Complex, large-scale chemical plants, and small-to-medium sized chemical factories have been built in various places. Their facilities, equipment, and internal structure by division are improved. Many chemical fertilizers and textiles, plastics, and various chemical products were produced every year. Thus, the chemical industry has actively contributed to developing the rural economy and improving the people's living.

In addition, the building material industry and railway transportation have been firmly developed, smoothly guaranteeing cement and building materials demanded by mammoth construction projects. Transportation demand by various sectors of the people's economy have also been smoothly guaranteed. This clearly shows the might of our chuche-oriented and modernized heavy industry.

Owing to the support of our reliable heavy industry, our overall chuche industries have been strengthened day by day, and the last third seven-year plan, which was carried out amid the enemies' vicious maneuvers, showed a 50 percent increase in industrial production, and an average annual growth rate of 5.6 percent in industrial production.

Indeed, thanks to the wise leadership of the great leader and comrade dear leader, our heavy industry has everything necessary, and has been excellently built into the self-reliant and modern heavy industry, as well as the leading sector of the strong socialist self-reliant economy, producing and guaranteeing raw materials, materials, fuel, energy, and machinery equipment fundamentally within the country mainly with our own resources and raw materials, and is vigorously displaying its might.

Today, our country is renowned as a strong and mighty industrially strong country that unswervingly walks along the single road of chuche in any storm or trial, and the people are leading stable and rewarding lives. Under the wise leadership of the great leader Comrade Kim Il-song and the dear comrade leader Comrade Kim Chong-il, our people are possessing national pride and self-esteem of having built on an empty land the diverse and modernized heavy industry reliably guaranteeing the mighty self-reliant national economy according to the leader's lofty intention during his life, and are filled with the resolve to strengthen the might of our heavy industry by all means in order to further display the superiority of the popular masses-centered socialism of our own style.

The people's lofty resolve and ardent enthusiasm to further elucidate our heavy industry provided by the great leader by upholding the leadership of the dear comrade leader according to the lofty intention of the leader, and to further display the might of the chuche-oriented self-reliant national economy will bring about greater fruition on this land.

Great 'Upsurge' in Socialist Construction Urged

SK1008104594 Pyongyang KCNA in English 1024 GMT 10 Aug 94

[Text] Pyongyang, August 10 (KCNA)—In order to accomplish the revolutionary cause of chuche, true to the intention of the respected leader Comrade Kim Il-song in his lifetime and his behests, all the party members and working people must effect an uninterrupted great revolutionary upsurge in socialist construction with the might of the close single-hearted unity around the dear leader Comrade Kim Chong-il, says NODONG SINMUN in an editorial today.

It quotes the great leader Comrade Kim Il-song as saying:

"Single-hearted unity and self-reliance are imperishable, glorious traditions of our revolution as well as the banner of victory."

Single-hearted unity is the most valuable gain of the Korean revolution and it is the unshakable resolution of our party and people to hand its tradition down through generations, the editorial says, and continues:

The tradition of our single-hearted unity was established by Comrade Kim Il-song many years ago. While leading in the van the revolution of our era for a long period, he fully displayed his traits as an outstanding thinker and theoretician, a great strategist and an iron-willed brilliant commander and performed immortal feats in the cause of cementing the single-hearted unity, the great foundation of our revolution.

Today the single-hearted unity of our revolutionary ranks has become all the closer.

The might of our single-hearted unity had never been demonstrated as fully as today when all the people are firmly resolved to accomplish the revolutionary cause of chuche under the guidance of Comrade Kim Chong-il, entrusting their destinies and future entirely to him. Ours is a single-hearted unity in ideology and action, a unity in which the whole party, the entire people and all the Army think and act only on the basis of the idea and will of the dear leader. The people are always kept in the mind of the leader and the leader in the minds of the people. All the people believe in the leader as in heaven and follow him, fully charmed by his extraordinary greatness and human traits. Such blood ties and absolute worship are the features of our single-hearted unity and its solidness and invincible might are based on them. After bidding their last farewell to Comrade Kim Il-song, our people have keenly felt with each passing day how valuable our single-hearted unity around the dear leader is.

This unity is the lifeline of our revolution and the banner of invincibility.

Let us effect a great revolutionary upsurge in socialist construction with the might of single-hearted unity around the dear leader Comrade Kim Chong-il—this is the militant slogan which our people should hold high.

All the party members and working people must bring about a fresh upswing in all the sectors of socialist construction with the great pride of having a peerless great man as the centre of unity and leadership, thus fully demonstrating the mettle of the revolutionary people reared by the great party and the leader.

South Korea

Semiconductor Software Licensed to U.S. Firm

SK0608055594 Seoul THE KOREA HERALD in English 6 Aug 94 p 7

[Text] Goldstar Electron Co. has licensed its self-developed semiconductor design software to Technology Modeling Associates (TMA) of the United States, one of the world's leading semiconductor development firms.

Under a license agreement signed Thursday [4 August], Goldstar will receive $100,000 plus 28 percent in royalties on TMA products produced using its chip design software, called Spice Interconnect Modeling System, or SIMS, for short. Spice stands for simulation program integrated circuit emphasis.

TMA is the world leader in semiconductor development software with a market share of over 50 percent.

Goldstar's software is the world's first system that allows chip designers to edit chip circuits while simultaneously conducting simulation tests.

Thus far chip designers had to use separate software for circuit designing and subsequent simulation tests.

"By merging circuit editing and interconnect modeling software into one system, SIMS reduces the time needed to design a chip by at least one-third," a company official said.

According to the official, the new software also allows users to recognize characteristics of certain parts of a chip within 30 seconds.

"SIMS can be used in designing the next-generation 64 megabyte dynamic random access memory (DRAM) chips," the official said.

Recognizing the excellency of Goldstar's new software, TMA embraced the Korean firm as one of its official technological partners. The American firm has technology tie-ups with International Business Machine (IBM), Texas Instruments (TI) and other leading semiconductor manufacturers of the world.

Goldstar Electron, which is one of the world's top 10 memory chip makers, has poured 1 billion won into developing SIMS over the past four years.

The company said the software will save 7 billion won a year previously spent buying foreign chip design software. When other Korean chip manufacturers adopt the system in place of foreign software, more money will be saved.

Officials 'Cautiously Optimistic' on Geneva Talks

SK1008021494 Seoul YONHAP in English 0201 GMT 10 Aug 94

[Text] Seoul, Aug. 10 (YONHAP)—Seoul officials were cautiously optimistic Wednesday that North Korea and the United States can agree on providing South Korean model reactors to Pyongyang, which would remove a major hurdle in their negotiations.

The officials were also optimistic that the two sides would be able to find a way to treat the uranium fuel rods but said they still disagreed on exactly how.

North Korea had until last week opposed receiving the South Korean light-water reactor models to replace its graphite-moderated reactors, a condition it attached to freezing its nuclear activities.

"North Korean negotiators are no longer saying that they 'absolutely' will not accept the South Korean models," said one source in Seoul after the latest Pyongyang-Washington high-level dialogue in Geneva.

The U.S. persuasion on North Korea was based on reasons that South Korea and Japan cannot be persuaded to finance the cost if Pyongyang insisted on a Russian model, sources said.

Japan's preference for the South Korean model was also a major factor in the persuasion, they said. Tokyo, who basically imported the same basic technology in light-water reactors as Seoul, probably favors providing the South Korean model so that it can, in the long run, participate in their construction in North Korea, sources said.

On reports that North Korea proposed "dry storage" of the fuel rods removed from its 5mw reactor in May, sources here said the United States still insists on sending them to a third country.

Dry-stored fuel rods can always be reprocessed and such proposal is only a temporary step, they said. "The proposal is noteworthy in that it reflects North Korea's willingness to hold back on reprocessing of the rods," said one of the sources, "but the unchanged U.S. demand is to ship all of them to a third country, away from North Korea's possession."

Measures for DPRK Light-Water Reactor Viewed

SK1008123694 Seoul HANGUK ILBO in Korean 10 Aug 94 p 5

[Article by Ko Tae-song: "The Government's Measures To Meet North Korea's Demand in Exchange for Freezing its Nuclear Activities"]

[Text] It has been learned that North Korea demanded in a considerably concrete manner the "price" for freezing its nuclear development program during the third round of North Korean-U.S. high-level talks, which resumed on 8 August.

North Korea is demanding economic compensation for giving up its graphite-moderated reactors that it is now operating or building. This demand is based on the logic that North Korea has been pushing ahead with its nuclear development program in order to resolve difficulties in electric power. North Korea claims that it invested more than $5 billion to advance its atomic energy development program, therefore, it is natural that those demanding cancellation of this plan should pay the price.

After the talks on 8 August, Vice Foreign Minister Kang Sok-chu, head of the North Korean delegation to the talks, stated: "provided that thorough support for conversion of the light-water reactor is ensured, North Korea would freeze its present graphite-moderated reactor program." Thus, he made it clear that North Korea's price is centered on the light-water reactor.

The reason our government is paying keen attention to the North Korean demand is that it has repeatedly expressed its willingness to support the North Korean light-water reactor using an ROK-type reactor and has come to the conclusion that the ROK has to take the initiative in securing the required expenses.

Since the North Korean side has rejected the ROK-type reactor, the ROK, and the United States are striving to come up with ideas to persuade North Korea. An official knowledgeable in North Korean affairs on 9 August stated: "During the 5 August talks, the United States officially proposed to provide the ROK-type reactor, but North Korea refused it for the moment. However, North Korea did not clearly refuse at the 8 August talks. Thus, a certain change in the North Korean attitude was sensed."

Meanwhile, it was learned that the government is studying a plan to lessen North Korea's negative attitude. That is: An ROK-type reactor will be provided, but the contract for its construction will be concluded between North Korea and the United States. This can be considered a strategy to realize the construction of an ROK-type reactor by providing the North Korean side with "justification" to respond, irrespective of formalities. If this plan is implemented, a U.S. firm will conclude the contract with North Korea and an ROK business group will implement the contract and will thus lead the entire process of construction of the reactor. In other words, during the period of the project requiring eight to 10 years, including basic design of the reactor, manpower from our side will go to North Korea and will directly engage in construction of the reactor.

The plan to form an international consortium is the most likely method to secure required funds for building the light-water reactor. However, there are still some problems to solve in this plan. The nations that will be able to bear the expenses in actuality are the ROK, the United States, and Japan. Nevertheless, the United States has some difficulties in terms of its domestic law, while Japan is in the passive position of supporting the light-water reactor because North Korean-Japanese diplomatic relations, which are a precondition for the support, have not been established. This is why the government is trying to supplement the expenses required for building the light-water reactor from "unification funds."

Experts analyzed that if North Korea wants to build economically efficient light-water reactors, it should build two 1,000-megawatt-class reactors, and that the anticipated expense is about $4 billion.

As a concrete method for securing required funds to support North Korea, an international consortium should be formed and assistance should be given to North Korea to build a light-water reactor. This method is likely designed so each participating country in the consortium will provide North Korea with assistance and then North Korea will pay the expenses for building a light-water reactor directly to the contractor and to the firm that actually carries out construction work. Thus, this plan is intended to exclude political factors and to carry out the construction on a commercial basis.

North Abductee Ko Sang-mun's Interview Analyzed

SK1008085194 Seoul YONHAP in English 0829 GMT 10 Aug 94

[Text] Seoul, Aug. 10 (YONHAP)—North Korea claimed Wednesday the former South Korean schoolteacher Ko Sang-mun, who was reportedly abducted in Norway in April 1979, had come to the North "on his own volition" and is currently working as a geographer.

Radio Pyongyang in North Korea, in its news program on the press interview with Ko at 0:30 Wednesday [1530 GMT 9 August], denounced that South Korean authorities were engaging in fabulous and evil propaganda against the man who had come to North Korea of his own free will, said the National Unification Board [NUB] after monitoring the North Korean radio report.

NUB disclosed that Ko told the press interview he had lived for 15 years without feeling any inconveniences under "father and our great leader," asserting that "I, Ko Sang-mun, walked into the North Republic of my own free will."

Responding to the North's report, a government official analyzed that North Korea seemed to have released Ko from its concentration camp abruptly and held the press conference in accordance with its scenario upon the creation of sensations by the Amnesty International's recent announcement that the former South Korean schoolteacher was detained at the Sungho camp in North Korea.

List of South Koreans 'Abducted to North' Issued

SK0908072194 Seoul YONHAP in English 0540 GMT 9 Aug 94

[Text] Seoul, Aug. 9 (YONHAP)—The South Korean Government on Tuesday opened to the public the list of 438 South Koreans who it said have been abducted to North Korea since the 1953 Armistice of the Korean War.

Yi Hong-ku, deputy prime minister and concurrently national unification minister, submitted a report on "The Human Rights Situation in North Korea," which included the list, to the National Assembly's Committee on Foreign Affairs and National Unification.

"The number of those South Koreans who have been kidnapped at sea to North Korea and are still detained in the North reaches 417, while 21 people have been taken in mid-air to the North by force and have failed to return," he said at the report.

Nine of the 438 people died or dispatched to the South as espionage agents, and those who are still detained there total 429, Yi said.

Many of the South Korean vessels which were fishing on the sea near the truce line were kidnapped by North Korean patrol boats, and the most recent case is Tongjin-ho, which was abducted by North Koreans near Paengnyong-to island in January 1987. Twelve crewmen were aboard the ship.

A passenger airplane was also hijacked to the North in December 1969.

A North Korean agent, Cho Chang-hui, hijacked the Korean Air (KAL) passenger plane in the air near the northeastern city of Kangneung. The plane was then carrying 51 people including 47 passengers and four crew.

Yi told the committee that the government has urged North Korea to repatriate the abductees on 22 occasions since 1980 through statements or telephone messages. "We've never been answered," he added.

"The government will make various efforts to make the North repatriate the abductees," Yi said.

Meanwhile, the report Yi submitted to the committee said that North Korea is now detaining more than 200,000 political prisoners in 12 concentration camps dispersed in five provinces. The prisoners cannot contact people outside the camps once they are interned there, it said.

First N-S Computer Processing Seminar Ends

SK0808122694 Seoul YONHAP in English 1059 GMT 8 Aug 94

[Text] Yanji, China, Aug. 8 (YONHAP)—The '94 Korean Computer Processing International Seminar ended here on Monday [8 August] with an agreement to hold the second seminar in Yanbian next May.

The attending South and North Korean scholars decided to have the second seminar around May 15, King Sejong's birthday, next year.

The Choson Dynasty king is credited with inventing the Korean alphabet, Hangul.

It was also agreed to set up three sub-committees on computer key arrangement, Hangul grammar and coding method under the seminar, and to hold the next year's seminar in meetings of the three subcommittees.

The three-day '94 seminar was attended by 24 scholars from South Korea, 25 from North Korea and about 30 from the Yanbian and other overseas areas.

The seminar further agreed to change the name of the seminar from the "Korean Computer Processing International Seminar" into "Urigul (Our Letters) Computer Processing International Seminar."

"Since the Korean alphabet grammar is different in the two Koreas, ethnic Koreans in the Yanbian area are much confused," said Prof. Choe Yun-kap of Yanbian University at the seminar.

He expressed the hope the two sides of Korea would work in concert to integrate the Hangul grammar.

Joint Research Accord Reached

SK1008020494 Seoul CHOSON ILBO in Korean 9 Aug 94 p 6

[By reporter Kim Myong-hwan from Yanji, China]

[Excerpts] An era of exchange and cooperation between the South and North has opened in the field of computers and communications information also. "The 1994 International Symposium on Handling Korean Language Computer Programs" ended at the Yanbian Hotel in Yanji, China, on 8 August. The participants, including those from South and North Korea, agreed to continue to put their heads together to conduct joint research for the purpose of working out a standard draft program for handling Korean language computer programs. As part of this, they will hold their second meeting next May.

The symposium was held in the form of an international meeting hosted by the Electronics Information Center in Yanbian. All else aside, the meeting was very meaningful in that South and North Korean computer scientists met together for the first time. [passage omitted]

Despite its emergency situation, North Korea surprised our side's delegates by showing "sincerity" in dispatching a delegation of 26 delegates which included a vice minister-level official, namely, Choe Ki-yong, secretary of the General Federation of Science and Technology of Korea.

Prior to this meeting, North Korea had successively dispatched the following "big-shot" scholars to international meetings so that they could contact their ROK counterparts: Three North Korean delegates, including Yi Haeng-ho, director of the World Economy and South-South Cooperation Institute of the Academy of Social Sciences, met with our side's delegates, including Dr. Chong Mu-nam, at the symposium on the economic cooperation between nations for the economic development of the Northeast Asian region held at Jilin University from 17 to 26 July; and five delegates, including Director of the Chuche Idea Institute of the Academy of Social Sciences Pak Sung-tok, had a discussion with our side's delegates, including Professor Choe Chang-chip, at the symposium on the politics and society in Northeast Asia held in Shanghai in August.

In this connection, one official concerned from our government, who observed the latest symposium on computers in person, provided the following analysis: "This seems to be a signal that the Kim Chong-il group, under pressure to open up in order to establish a new regime, is adopting an attitude of opening up exchanges between scholars."

Another government official backed up these remarks by noting: "We understand that Kim Chong-il gave final approval for the scholars' participation in the symposium on handling computer programs." In easy terms, it seems that North Korea thinks it "necessary to unlock the gate, and send out as many scholars as possible and have them learn as much as possible." In actuality, one young participant from North Korea said: "Rather than lay something before the public, we would like to learn of various things we did not know before."

Although a total of 34 research papers were presented at the symposium, the participants failed to find a clue to reaching a concrete agreement on how to work out a standard draft program. This is because they only confirmed the many differences between the South and North which are the following: the South and North have different alphabetic orders for Korean; their computer programs are not interchangeable; and the North is using its own term "program technology" for the English term "software," while the South uses its own term "murunmo."

At the same time, the ROK got the latest information that North Korea's word processor program is "Changdok version II," and showed the North Korean delegates ROK's latest in software programs, including "Hunminjongum," thereby increasing mutual understanding of the status of the two sides' computer cultures. This is important in that it lays the groundwork for exchanges in the field of communications information prior to political unification. South and North Korea already have previous experience in failing to reach an agreement on how to romanize the Korean alphabet even though they had had as many as six meetings until the last one in Stockholm last June. [passage omitted]

N-S Doctors Agree to Medical Science Exchanges

SK1008021894 Seoul KBS-1 Radio Network in Korean 0900 GMT 9 Aug 94

[Text] The road for medical science exchanges between South and North Korea has been paved. Yu Song-hoe, chairman of the Korea Medical Science Association, said that he had met Paek Yong-ho, head of the North Korean delegation at the Asia Pacific conference of the International Physicians for Prevention of Nuclear War held in Kuala Lumpur, Malaysia on 3 August and had agreed with him in principle to medical science exchanges between South and North Korea.

South and North Korean delegates to the conference agreed to promote medical science exchanges—such as standardizing medical terms, which are being used by the two sides in their own respective ways, and introducing advanced medical science—after receiving approval from their respective governments.

The chairman of the Korea Medical Science Association said that the prospects for medical science exchanges between South and North Korea are bright because they are going to pursue exchanges at a humanitarian level, without political purpose.

President: Prepare Finance Sector for Unification

SK0908031794 Seoul YONHAP in English 0254 GMT 9 Aug 94

[Text] Seoul, August 9 (YONHAP)—President Kim Yong-sam Tuesday instructed the cabinet "to expand public financial capability in preparation for national unification" in the course of promoting a reform in the government's finance.

The chief executive also urged the administration to make further efforts "to better coordinate public finance between the central and provincial governments so as to prepare for the enforcement of local autonomy."

President Kim issued these instructions upon receiving reports on economic institution reform strategy at the 12th "new economy" promotion meeting held at the Korea Chamber of Commerce in Seoul with over 80 related cabinet members, business leaders and public servants attending.

Touching on tax system and administration, he called for "an effective reform" taking into account the real name financial transaction system now practised in full, the launching early next year of the World Trade Organization (WTO) and the enforcement of the local autonomy system.

As for the supplementation of the special land profit tax law, President Kim emphasized the need of coming up with "a comprehensive formula" ensuring an end to land speculation.

Referring to the banking business, the chief executive regretted that South Korea has no world class financial institutions, though it has many such enterprises. He then urged the financial institutions to establish a responsible management system and improve their competitiveness in the world market.

Tax Revenues Expansion Planned for Reunification

SK1008023894 Seoul THE KOREA TIMES in English 10 Aug 94 p 8

[Text] The administration plans to expand tax revenues as part of its preparations for reunification, drawing up a comprehensive set of measures on economic cooperation with North Korea to get the reclusive state to open up to the world.

"The expansion of tax revenues is a prerequisite to raising funds for reunification," Yi Yong-tak, assistant minister for budget at the Economic Planning Board [EPB] said in a monthly meeting of top government officials devoted to reviewing economic trends and strategic planning yesterday.

"In addition, growing financial requirements for rural development, clean water supply, education and social welfare will need steady increases in budgets," he said.

"In this context," he noted, "the ratio of total taxes to gross national product, or the tax burden ratio, should rise from the present 19 percent to 22 percent by 1997, the final year of the five-year new economy plan under the Kim Yong-sam administration."

The EPB, the budgeting authority, plans a surplus in the budget account next year for the first time in a decade by cutting back expenditure. The surplus will be used to redeem state liabilities.

"We will make the focus of budgeting the controlling of the pace of business activity rather than monetary and financial policies," Yi said. "Lessons from advanced economies teach us there are limits to the effectiveness of indirect intervention in business activity through monetary and financial policies."

He added that the budget is playing an increasingly crucial part in overall economic activity as the economy is rapidly proceeding along the path to globalization.

The board will scrutinize arms buildup plans such as the multibillion dollar Yulgok Project and oversee military spending to "secure transparency in defense budget."

In the legacy of the decades of military regimes, defense budgeting and spending have largely been covered in a tabooed veil and parts of the Yulgok and other massive military projects have been criticized for waste of money. Some projects have also been dotted with bribery and embezzlement scandals.

The administration will, meanwhile, pursue reinforced economic cooperation with North Korea in step with progress in Seoul- Pyongyang relations, according to the EPB's business plans for the third quarter of this year which it said aim at leading the reclusive state to open to the world.

Measures under consideration are direct trade of simple products like herb medicines, promotion of processing trade, and cooperation through international agencies including the United Nations Development Program for the Tumen River industrialization project.

Ahead of the formation of the World Trade Organization, the administration will step up efforts to cope with the new trade order domestically and internationally, according the officials.

It will positively participate in multilateral negotiations in service fields and the environment, among other agendas.

The administration will send higher-powered missions to Mexico, Brazil and other Central and South American countries to boost exports of plants manufactured by small and medium companies which have no marketing networks there.

Financial and tax incentives will be offered to the makers of promising export items to help nurture them as world-top brands.

New permanent showrooms will be established in Europe for the sales promotion of local products.

The budgets of the Economic Development Cooperation Fund, a government fund, and the Korea International Cooperation Agency, a government body, will be increased sharply next year for more support for developing countries.

* Kim Chong-il as Summit Partner Viewed

942C0178C Seoul SEOUL SINMUN in Korean 14 Jul 94 p 5

[By Columnist Song Chong-suk]

[Text] Frankly speaking, we felt somewhat uneasy about the North-South summit, which was being arranged shortly before Kim Il-song died. In those days rumors were circulating here and there that all of those who met Kim Il-song or who visited North Korea had bad luck and fell into ruin after they returned. As you recall, Kim Ku used to say that when the country was reunified, he would like to rusticate and spend his remaining life tending the orchard. But an ill fate befell him. Cho So-ang was also fooled by Kim Il-song. Kim Il-song was a crafty dictator who could, if he so desired, drive anyone he met mercilessly into a pitfall. People had misgivings about the prospect of President Kim Yong-sam, an unmistakably rational and straightforward politician and an unspoiled model student of democracy, sitting at the same table with Kim Il-song as the summit partner. Kim Il-song was an old man who was one generation senior to President Kim Yong-sam. All Koreans who were raised under the tradition of showing respect to the elderly inherit the chemistry that bars them from contradicting the elders. What is more, we could not be but genuinely apprehensive of the prospect of President Kim, who is singularly dutiful to his parents and is sympathetic toward the aged, having to deal with Kim Il-song, an avaricious old man as old as his own father.

At the news of Kim Il-song's death, we were sorry that our hopes for the summit was crushed. But, on the other hand, out of our aforementioned kindly apprehension, we said to ourselves, "This might be an omen of good luck for us," and we felt a sigh of relief in the back of our mind.

It seems that like it or not, Kim Chong-il is going to be the summit partner. He is the main character created in the comedy of dynastic succession that is being acted out "after a delay that has kept us in agonizing suspension," to borrow the expression of writer Choe In-hun. Nevertheless, if he holds real power in North Korea, we have no choice but to deal with him.

At any rate, who is Kim Chong-il? The only words we have hard coming out of his mouth were the single sentence, "Glory to ... of socialism!" It is impossible to fathom his personality and the depth of his intelligence from this single short sentence, which he spat out in an almost inaudible voice. We have seen only the pictures of him in which he always looks as if he just came out of his bed, tottering with an unkempt appearance. There is not a single full-length speech of his available, if any, that would give a hint on his personality. If we venture to make an amateurish analysis based on the scanty information, he seems to be the "well groomed" master of the dictatorship who is somewhat tainted with the capitalist way of thinking, so to speak, judging from the reports that he "watches CNN news programs, is fond of watching movies of Western countries, and does not hesitate to utter comic expressions of his own coinage, such as the ass of a pigmy.'"

There is no way of knowing yet whether it will good or bad to have this kind of man as a new summit partner. But it is possible for us to hazard some predictions. First of all, we wonder whether it may not possible to play a language game with him on the basis of the same grammar. Kim Il-song, his father, had reigned supreme for a half century promising his people to provide them with "the highest happiness of living in tile-roofed homes enjoying steamed polished rice with meat soup." But he failed to realize this Shangri-la. But his son, Kim Chong-il, has had access to information on capitalism, although it was on some decadent aspects of capitalism. From information made available by CNN programs alone, which he is said to watch, he should be able to know how opening-up is inevitable in all countries on the globe.

At any rate, there is no way of accurately ascertaining whether he is an incompetent fledgling dictator who is feeble, monstrous, and overbearing, or a bright and full-fledged successor to power. But it is a fact that he has several basic qualifications which make him a better dialogue partner than his father. For instance, at least Kim Chong-il himself is not a direct war criminal. Some may argue that now that he has succeeded power, he should also "succeed" the responsibility for the crimes committed by his father. But the junior Kim is not the person who started the war. Our ill feeling toward Kim Il-song is so deep-rooted that a mere mention of his name invariably makes us shudder in anger. There are many people around us who feel despondent at the thought that they had allowed Kim Il-song to enter the netherworld before giving bent to their anger. When we should face such man as our dialogue partner, we would be swayed by the eruption of ill feelings in our hearts. On the other hand, Kim Chong-il, may feel less burdensome about the past mistakes because they were not the works of his own. He could recognize the past mistakes as mistakes and try to wipe off their consequences clean.

In addition, it might be possible to convince Kim Chong-il, who uses the same grammar as ours, of the futile nature of the anachronistic obsessions of "the first generation of the revolution." In the back of his mind, he might feel skeptical about how long he would be able to hold on to the ideals the death knell of which has already been sounded. Reports that he recognizes the inevitability of opening prompt us to entertain such hopes. He could be feeling some misgivings about the future of his republic as he sets out wearing his father's oversized mantle to lead his people who are hungry and have no protection from elements, but who are full of false loyalty. It would be less difficult to make him understand the honest seriousness and sincerity of our side. He could be better than his father as a dialogue partner in making candid and serious discussions of the unification issue with a brotherly love.

But if we regard him as a pushover and make a thoughtless response, we would be committing another kind of miscalculation. We have the weakness of dashing ahead like a bull whenever a problem crops up, ending up committing an error that we could have been avoided. Kim Chong-il may look disheveled, but he is the unique work in the art of succession which the most durable dictator this century has ever produced spent several decades to complete. There is no reason to take him lightly.

Publication of Kim Il-song Memoir Investigated

SK0708042294 Seoul TONG-A ILBO in Korean 7 Aug 94 p 23

[Text] On 6 August the special department (chief prosecutor So Yong-je) of the Sobu branch of the Seoul District Public Prosecutors Office began an investigation into the mass publication of Kim Il-song's reminiscences "With the Century," which was reportedly published earlier in North Korea.

According to the public prosecutors office, a publishing company called Kasowon (representative Yi Hui-kon, 33) in Mangwon-tong, Mapo-ku, Seoul, edited Kim Il-song's reminiscences in four editions, then placed an order with the Kyongmun Printing House (representative Na Pyong-sun, 41) to publish 15,000 copies of the reminiscences at a cost of 50 million won.

It was learned that some copies are presently at a certain bindery in Sangam-tong, Mapo-ku, Seoul.

Thus, the prosecutors office, with a search and seizure warrant issued that day by the court, began to search and investigate both the publishing company and the bindery.

Meanwhile, in order to investigate the publishing background of the books, the prosecutors office issued a directive to the Sodaemun Police Station to place Yi, representative of the publishing company, and Na, representative of the bindery, into custody.

Police Searching for Suspects

SK0808084594 Seoul YONHAP in English 0748 GMT 8 Aug 94

[Text] Seoul, Aug. 8 (YONHAP)—The Seoul police is searching for the representative of a publishing house on charges of printing Kim Il-song memoir entitled "With the Century" while probing into how its original copies were obtained.

The police continued its search at the publishing company "Kasowon" Monday [8 August] and seized some copies of North Korean editions of the memoir together with other related materials.

It is also searching for the company head Yi Hui-kon, 33, who has been at large since he left his home in Kwangmyong city, Kyonggi Province, early Saturday morning.

Yi is suspected of having violated the National Security Law which prohibits printings "beneficial to the enemy."

Meanwhile, a police investigator explained the controversial memoirs of Kim Il-song, published by North Korean printing house "Chongumsa" in 1993, were Pyongyang's propaganda leaflets which had been flown to South Korea by way of balloons and found in the areas of west Kyonggi Province and Seoul.

The investigator further said the police is focusing its probe on revealing how the printing company obtained the North Korean editions of the memoir.

Earlier, the police summoned the representatives of printing house "Kyongmun" and bookbinding house "Chongu" over the last weekend to inquire after their involvement in the publishing.

Memoir May Have Come From Japan

SK0908090294 Seoul YONHAP in English 0848 GMT 9 Aug 94

[Text] Seoul, Aug. 9 (YONHAP)—The Seoul police, suspecting that the original North Korean editions of Kim Il-song memoir might be obtained in Japan by the representative of a publishing house during his trips to Japan, is making an intensive probe into the circumstances involving Yi Hi-kon, the representative of a publishing house "Kasowon" which printed the controversial memoir entitled "With the Century."

The Seoul's Sodaemun Police has found that Yi visited Japan two times in 1992 and 1993 to attend book exhibitions there.

The police based the assumption on the fact that Yi told his employees at the publishing company, after his participation in the book shows, that the memoir was a bestseller in Japan. There is a possibility the original editions were smuggled into South Korea from Japan, police officers said.

Meanwhile, the police is searching for Yi, who has been at large since he left his home in Kwangmyong city, Kyonggi Province, early Saturday [6 August] morning while putting him on the wanted list and banning his exit from the country.

Six Arrested in Death of Alleged Police Spy

SK0808023894 Seoul YONHAP in English 0212 GMT 8 Aug 94

[Text] Seoul, Aug. 8 (YONHAP)—The Seoul police, probing the death of Chon Kwi-hui, 38, on Friday morning, 14 hours after he was released from a four-hour detention by Korea University students, arrested on Monday six Korea University students on a charge of beating Chon to death.

The six students, including Chong Yon-chol, 25, a junior majoring in psychology who serves as chairman of the Student Welfare Committee of the Korea University Student Council, voluntarily appeared in the Songbuk Police Station to cooperate in the police investigation Sunday.

In the police interrogation, they partly admitted the use of violence against Chon, a police spokesman said.

Chon was found collapsed on a sidewalk near the university 30 minutes after he was released from the students and the initial autopsy of Chon's body by the National Institute of Scientific Investigation showed that he was died of excessive subcutaneous hemorrhage due to outside force, he added.

Around noon on Thursday when Korea University students staged a sit-in protesting a recent roundup by the police of a group of students following Kim Il-song's chuche (self-reliance) ideology in the student hall, some students found Chon walking around the hall and took him to a class room for questioning him to find out whether he was a police spy.

To press for his confession to possible spying for the police, students pushed and threw him down, with his back hitting a corner of a desk, the spokesman said.

Envoy: Japan 'May Agree' To Talks With DPRK

SK1008125694 Seoul YONHAP in English 1119 GMT 10 Aug 94

[Text] Tokyo, Aug. 10 (YONHAP)—"I will do all I can to further deepen our bilateral relations with a firm perception of past historical things."

So said Shintaro Yamashita, new Japanese ambassador to South Korea, in an interview with South Korean correspondents at the Japanese Foreign Ministry here Wednesday.

Ambassador Yamashita, who assumes his Seoul post on next Wednesday, said Korea-Japan relations have been moving in a "very good direction" after President Kim Yong-sam called for a future- oriented bilateral relationship.

On the "comfort women" issue, Yamashita said there could be some concrete proposal, disclosing that since the chief cabinet secretary announced the outcome of Japan's probe into the case of "comfort women" last year, several measures that can substitute for compensation have been under review.

He said that if the United Nations adopts any resolution with regard to the North Korean nuclear question, Japan would naturally respect it inasmuch as he said a U.N. resolution is supposed to be respected as an obligation among its member countries.

The Japanese diplomat suggested that Japan may agree to resume normalization talks with North Korea even during the on-going U.S.- North Korea high-level talks.

He said his country does not insist that it would resume the talks with Pyongyang only after the North Korean nuclear suspicion is cleared completely.

Yamashita said he understands his government is carefully reviewing the possible visit to Seoul by Emperor Akihito following President Kim's invitation extended to the emperor.

"But, I think the emperor's visit to Korea can be realized only at a time when the Korean people can welcome him from their heart," he said.

The new ambassador said he cannot say at the moment when such a time would come.

Russia, DPRK Discuss Logging Accord Extension

SK1008060594 Seoul HANGUK ILBO in Korean 10 Aug 94 p 2

[By correspondent Yi Yang-hun from Moscow]

[Text] The Russian daily MOSKOVSKIY KOMSOMOLETS reported on 9 August, that Russia and North Korea are pitted against each other over the issue of profit distribution in discussions on the extension of the forestry agreement for the lease of North Korean logging sites in Russia, which will expire on 1 September.

According to the Russian paper, Russia insists on distributing profits at a ratio of 7 to 3, while North Korea is insisting on a ratio of 4 to 6.

Seoul Customs Conference With Vietnamese Opens

SK0808091794 Seoul YONHAP in English 0853 GMT 8 Aug 94

[Text] Seoul, Aug. 8 (YONHAP)—Customs administrators of South Korea and Vietnam opened a five-day meeting here to discuss ways to promote bilateral cooperation in the customs sector.

The meeting, the first of this kind between the two nations, is to focus on how to cut down the physical distribution cost recently rising amid expanding trade volume, customs officials said.

It will also discuss ways to make concerted efforts to fight drug trafficking that may be attempted under cover of expanded material and human exchange.

In addition, the two sides will seek to conclude an agreement on mutual assistance in the customs field and examine the possibility of holding regular meetings.

The Vietnamese delegation, headed by Commissioner Phan Van Dinh, will leave the country Friday [12 August].

Seoul, PRC Plan Technology Cooperation Accord

SK0808060594 Seoul YONHAP in English 0449 GMT 8 Aug 94

[Text] Seoul, August 8 (YONHAP)—The Korea Institute of Science and Technology (KIST) will conclude a cooperation agreement with the Harbin Institute of Technology in northern China Tuesday, under which joint research projects will be explored and conducted in the machinery, element and electronics fields.

The agreement calls for exchanging scientists, conducting technical training, carrying out joint researches, exchanging information, and convening annual discussion meetings, according to the KIST.

The cooperation accord will be signed by KIST President Kim Un- Yong and Vice President Du Shanyi of the Harbin Institute of Technology.

Discussions on the accord were initiated last January when KIST Vice President Chong Hyong-chin led a team of KIST scientists to the Chinese institute. At that time Chong donated to the institute "An Chung-kun scholarship fund," raised from among KIST members. An Chung-kun, a Korean independence fighter, assassinated then Japanese Prime Minister Hirobumi Ito in 1909 at the Harbin Railroad Station.

Ranked the second in China in the evaluation of universities in terms of research achievements and thesis publication, the Harbin Institute of Technology has played a leading role in the development of the 33 satellites launched by China so far.

Cho Hung Bank Plans To Establish PRC Branch

SK1008054594 Seoul YONHAP in English 0534 GMT 10 Aug 94

[Text] Seoul, Aug. 10 (YONHAP)—Cho Hung Bank plans to open its branch in Tianjin, China, this coming September as the Central Bank of China approved Monday to establish the Tianjin branch, according to a Cho Hung bank spokesman Wednesday.

Cho Hung will be the second South Korean bank to have a branch office in China after Korea Exchange Bank which was allowed to have its branch in Tianjin last year. Cho Hung had submitted an application to the Chinese authorities for the establishment of the branch last February.

Three other South Korean banks including the Commercial Bank of Korea, Korea First Bank and Korea Exchange Bank and a few western banks including Citi

Bank of the United States had also filed applications with the Central Bank of China to ask for permissions to set up their branches but the Chinese authorities so far gave the go-ahead only to Cho Hung, according to the spokesman.

The Commercial Bank of Korea applied to set up its branch in Shanghai, Korea First Bank in Qingdao, Shandong Province, and Korea Exchange Bank in Dalian, Liaoning Province.

25 Industrial Trainees Deported for Changing Jobs

SK0908105794 Seoul YONHAP in English 1016 GMT 9 Aug 94

[Text] Seoul, Aug. 9 (YONHAP)—Twenty-five industrial trainees from Southeast Asian countries were deported Tuesday [9 August] for arbitrarily changing jobs, the Justice Ministry said.

A ministry official said the 25 including some Vietnamese were invited by Saehan Musical Instrument and Kumnung Industrial Cos.

But, after short periods of work at the inviter firms, they arbitrarily left the companies and took jobs elsewhere in violation of regulations on foreign trainees.

So far, 12,532 foreign people have arrived in South Korea for work as industrial technical trainees at the invitation of some individual Korean firms or the Korea Federation of Small Business.

Of them, 66 trainees were caught working at firms other than their inviter companies, the official said.

"All the foreign trainees who have unlawfully switched work places will be thoroughly ferreted out and deported, and those who employ such deserters will be legally punished," the official added.

Advance Medical Group Leaves for Western Sahara

SK1008024494 Seoul KBS-1 Radio Network in Korean 0830 GMT 9 Aug 94

[Text] An advance medical group of the ROK Army left Kimpo Airport this morning via Air France 287 to take part in UN peacekeeping operations [PKO] in the Western Sahara. The advance group was encouraged and seen off at the Kimpo Airport by military officials, such as the president of the Army General Administration School and the Army medical supervisor.

The advance medical group of the ROK Army is composed of 17 members, including Major Yi In-tae, who will serve as situation officer and will be in charge of interpretation of Spanish into Korean. It will arrive in Laayoune, Western Sahara, where the PKO Command is located, on the afternoon of 11 August [ROK time] and meet the team for a briefing on activities that have been carried out there since 1 August.

The advance medical group, along with the business transfer team, will relieve the Swiss medical team by the time the main group arrives there, and fulfill its mission as an apostle of peace to provide medical treatment for the staff of the PKO Command in Western Sahara. It will also carry out groundwork for building hospital facilities and offices for the Medical Assistance Corps of the ROK Army.

Meanwhile, the main group is undergoing language training for English, French, and Spanish and medical training for field work. The main group is supposed to leave the country in mid-September, but is likely to leave somewhat earlier than scheduled.

President Tells DLP To Handle UR Issue

SK0908032794 Seoul THE KOREA HERALD in English 9 Aug 94 p 2

[Text] President Kim Yong-sam yesterday gave a strong indication that he would not push for the parliamentary ratification of the Uruguay Round [UR] of free trade agreement in an extraordinary session of the National Assembly.

President Kim also ruled out any possibility of a major reshuffle of both the administration and the ruling Democratic Liberal Party.

Kim, who returned to Chongwadae Sunday after a summer vacation, gave his views about the two sensitive issues in a weekly meeting with DLP Chairman Kim Chong-pil.

"The President ordered Chairman Kim that the party should take care of the Uruguay Round issue on its own," said Rep. Son Hak-kyu, a party spokesman.

The remarks by President Kim are expected to put an end to the long-running dispute within the ruling camp over the timing of the National Assembly ratification of the Uruguay Round pact.

Kim's aides at Chongwadae had expressed their hopes that the global trade pact would be ratified in an extraordinary session this month to help the Minister of Trade, Industry and Energy Kim Chol-su in his bid to become the chief of the World trade Organization to be established under the world trade agreement.

But the Chongwadae plan hit a snag after some ranking officials of the DLP raised opposition to the idea of convening a special parliamentary session to deliberate the Uruguay Round pact.

The opponents inside the party argued that pushing for the extraordinary session would not help the DLP overcome the anticipated strong resistance from the opposition parties and would disrupt the September regular session of the National Assembly as well.

As President Kim left the issue to the DLP, the administration is expected to submit the Uruguay Round pact to the National Assembly during its regular sitting that will begin early next month.

President Kim's comments yesterday also silenced widespread speculation that he may reshuffle the cabinet and the DLP in the wake of the ruling party's defeat in the Aug. 2 parliamentary by- elections.

"The President told Chairman Kim that he would not hold anybody accountable for the election loss," party spokesman Son said.

DLP, Opposition Disagree on WTO Assembly

SK0708041194 Seoul THE KOREA HERALD in English 7 Aug 94 p 2

[Text] The ruling and opposition parties have been at odds over the opening of an extraordinary National Assembly session to deal with the Assembly's ratification of the establishment of the World Trade Organization (WTO).

The ruling Democratic Liberal Party (DLP) reportedly plans to open the extraordinary Assembly session at the end of this month.

But the main opposition Democratic Party (DP), which has vowed to block any move by the DLP to seek Assembly ratification, expressed strong opposition to the special session.

A DLP official said Chongwadae [presidential offices] has wanted an early clearance of the WTO bill through the Assembly and is considering a major reshuffle of officials of the government and the party after the ratification.

Reports suggested that Chongwadae has asked the DLP to deal with the WTO bill, the centerpiece of the agreements of the Uruguay Round multilateral trade talks, before the beginning of the Assembly regular sitting early next month.

But some political observers expressed concerns that the DLP's push for the opening of the special session may aggravate the relationship between the two parties.

They said the DLP plan may invite public criticism that the party is trying to use the Assembly ratification to stage a comeback after its setback in the Aug. 2 by-elections for the National Assembly.

DP spokesman Pak Chi-won charged that some key DLP officials, loyal to President Kim Yong-sam, are attempting to force DLP lawmakers to ratify the WTO bill.

Rep. Pak said the DLP officials' move is aimed at avoiding responsibility for their party's humiliating defeat in the elections.

"The DLP's move to open the special Assembly session without the agreement of opposition parties will create unhappy results," he warned.

Report on Three Major Oceangoing Shipping Firms

SK0608055394 Seoul THE KOREA HERALD in English 6 Aug 94 p 7

[Text] The nation's three major oceangoing shipping companies handled a combined 62 million TEUs (20-foot equivalent units) of cargo bound for North America in the first half of the year, business sources said yesterday.

The container cargo volume transported by Hanjin Shipping Co., Hyundai Merchant Marine Co. and Cho Yang Shipping Co. accounted for 40.5 percent of the total market share for North America.

U.S. shipping companies, including American President Line (APL) and Sea-Land, transported 28 million TEUs, capturing 18.5 percent of the market share.

The 14 other countries, including Japan, which engage in liner services to North America, handled a total of 63 million TEUs for a 41 percent market share during the cited period.

Hanjin handled 36 million TEUs in the first six months, the largest among all carriers of containers bound for North America, for a market share of 23.5 percent.

Hyundai Merchant came next with 22 million TEUs and a 14.2 percent market share, while Cho Yang ranked a distant 12th with 4.3 million TEUs and 2.8 percent.

Hanjin had an average cargo load factor of 23.5 percent during the cited period, compared with Hyundai Merchant's 14.2 percent and Cho Yang's 2.8 percent.

The load factor refers to the average ratio of actual utilization to maximum cargo capacity.

The three national flag shipping companies recorded an average load factor of 13.5 percent, compared with an average 39 percent for all Korean flag carriers.

The low load factor was attributed to the three shipping companies' increasing competition to expand the size of their fleets bound for North America, one shipping expert said.

APL and Sea-Land had a load factor of 8.5 percent and 6.6 percent, respectively.

Student Activists-Turned Soldiers Under 'Control'

SK0808121494 Seoul YONHAP in English 1050 GMT 8 Aug 94

[Text] Seoul, Aug. 8 (YONHAP)—Leftist student activists-turned servicemen are under special control but as a whole they do well in the military, a top military intelligence officer said Monday [8 August].

Yim Chae-mun, commander of the Defense Security Command, testified at the National Assembly Defense Committee that the strategic or tactical goals of the chusapa (Chuche Thought Student Faction) may include undermining of the armed forces.

"As a whole, however, those servicemen who were formerly chusapa and other leftist students like those of the National Liberation Front and People's Democracy Faction, perform military service normally and well," Yim said.

He said there was one exceptional incident in which a chusapa- turned corporal of a certain army mechanized brigade was legally dealt with early last week for his continuous leftist activities in collusion with those outside the military.

Yim said that for instance condolence phrases over the death of Kim Il-song were found in So's pocket book.

He was answering a question posed by Rep. Yim Pokchin of the Democratic Party who claimed chusapa-turned soldiers are seeking to "break up the command channel" of the armed forces.

The Security Command chief said military commanders specially control leftist activists-turned soldiers through individual interviews, etc. and will do the same in the future.

Also at the assembly committee session, Yu Chong-kap, director of the Defense Intelligence Agency, said the North Korean military has resumed routine training programs after the funeral of Kim Il-song.

He said the training activities include small-unit field and river-crossing training of the ground forces and seasonal training of the Navy and Air Force.

Besides, the North Korean forces have stepped up their southward propaganda offensive across the Military Demarcation Line as North Korea has recovered normalcy after the death of Kim Il-song, Yu said.

Students Wage Anti-U.S. Demonstrations on 9 Aug

SK1008045894 Seoul KYONGHYANG SINMUN in Korean 10 Aug 94 p 22

[By Yun Hui-il from Taejon]

[Text] Approximately 800 students of the National Territorial Pilgrimage Team, who belong to the Korean Federation of General Student Organization [Hanchongnyon], congregated at Hannam University, the departure point for the pilgrimage team from Kyongsang and Cholla [yong-honam] Provinces, on the morning of 9 August, and staged sporadic demonstrations in front of the city government of the South Chungchong Provincial, as well as on Chungchong No. 4 highway and Taejon, shouting slogans of "Let's Drive Out the United States From Our Country." The students staged demonstrations that day, moving around in groups of 200 or 300. However, there was no big clash between police and the students.

The participants in the demonstrations include approximately 350 students of the pilgrimage team, who came to Seoul via train from the Cholla Provinces on the afternoon of 8 August, and another 450 students who arrived in Seoul from the Kyongsang provinces at five o'clock in the morning of 9 August. The police have placed approximately 5,000 riot policemen from 44 companies in areas near the Hannam University and other major areas, in order to block students from street marches.

That afternoon, the students visited Taejon prison, the prosecution office, and the Democratic Liberal Party building to protest the government's viewpoint that regards Hanchongnyon as an organization benefitting the enemy. Following this, they left Seoul for Suwon and Wonju, their next destination.

Inspection Board To Examine KEPCO Plants

SK0908121794 Seoul YONHAP in English 1132 GMT 9 Aug 94

[Text] Seoul, Aug. 9 (YONHAP)—The Board of Audit and Inspection (BAI) has decided to launch this month an inspection of the atomic power plant projects being undertaken by the Korea Electric Power Corp. (KEPCO).

The decision comes on heels of the arrest of former KEPCO President An Pyong-hwa last week on graft charges.

"For three weeks beginning next week at the earliest, 21 BAI inspectors will look into the on-going atomic power projects to see if there aren't any wrongdoings," a BAI official said.

The projects subject to the inspection will be Yongkwang Atomic Power Plants Nos. 3 and 4, Wolsong Plant No. 2, and Uljin Plants Nos. 3 and 4.

The planned probe will be simply annual routine inspection but its timing has been advanced this year in an effort to forestall any possible unfaithful work, the official said.

Business Tycoons To Be Indicted

SK1008053694 Seoul YONHAP in English 0442 GMT 10 Aug 94

[Text] Seoul, Aug. 10 (YONHAP)—The Supreme Public Prosecutor's Office decided Wednesday to wind up its investigation into a graft case involving former president of Korea Electric Power Corp. (KEPCO) An Pyong-hwa.

The Central Investigation Department [CID] of the office plans to indict two business tycoons, Daewoo Group Chairman Kim U-chung and Dong-A Group Chairman Choe Won-sok on charges of bribery without physically detaining them as soon as Kim returns from overseas trip next week.

An has reportedly confessed to taking 200 million won (about 250,000 U.S. dollars) from each of the two entepreuneurs in connection with KEPCO's atomic power plant construction projects when he was KEPCO president between 1989 and 1993.

The prosecution had also looked into allegations that five or six other business groups also gave bribes to An but failed to secure any evidence to support them, prosecution sources said.

A senior prosecutor hinted at his office's reluctance to detain the two businessmen, saying, "the amount of money they gave to An can be regarded as a sort of gratuities customarily offered in connection with huge construction projects.

"We would rather not detain them physically."

The CID has looked into ahn's 22 bankbooks issued by four financial institutions to determine the exact amount of slush funds he had raised and where he used the money but failed to find traces of any other bribes, he said.

* Chon Tu-hwan, No Tae-u Reportedly Reconcile

942C0174A Seoul HANGYORE SINMUN in Korean 26 Jun 94 p 2

[By reporter Yun Kuk-han]

[Text] "To contribute to national reconciliation at a difficult time for the country."

This was the explanation given by key figures of the 5th and 6th Republics, long at odds with each other, concerning the reasons for the meeting on the 25 June of two former presidents, Chon Tu-hwan and No Tae-u. Both sides gave the exact same response, as if they had coordinated it in advance.

This meeting of two former heads of state can also be interpreted to mean nothing more than a restoration of their personal relationship. Actually, for these two people, the greatest purpose behind this day's meeting will have been to wipe away the conflict stemming from the 1988 change of power and to restore their 40-year friendship.

However, this day's meeting may have a special significance for the figures of the 5th and 6th Republics, who, although they have the same roots, have turned their backs on each other for six years and four months. Belonging to the established conservative class, they may also view this as an opportunity for raising their voices. The meeting itself, particularly since it was held at a time when the present administration's ability to conduct national affairs is suspect amid the confusion of crisis talk due to the North Korean nuclear issue, the North-South Summit, etc., can also be interpreted as being for the purpose of gathering old ruling-party forces. This is why the Blue House and others in the government and the Democratic Party are all carefully watching the meeting of these two, saying, "This must not be a sign of a new concentration of conservative forces." Some even predict the formation of an altogether new political force. The forces of the 5th and 6th Republics, the mainstream of which is composed of the military forces that seized power in the 12 December 1979 coup d'etat, formed the Democratic-Justice-Party faction within the Democratic Liberal Party. Therefore, a considerable number of Chon and No's key aids remain in politics as members of the National Assembly.

Of course, those associated with the 5th and 6th Republics flatly deny these concerns, saying they are groundless conjecture. "In view of current conditions both inside and outside the country, now more than ever we need a united national consensus and national reconciliation. Isn't it desirable, then, for two former heads of state to be an example?" they say, explaining the meeting's background.

However, it is difficult to believe that this day's meeting had only the goal of resolving personal conflict between Chon and No. Reportedly, the aides of the two former presidents have met frequently of late, jointly searching for measures to counter a public prosecutor's office investigation into the 12 December 1979 coup d'etat. They judge the fact of the investigation itself to be related to their division, it is reported. Viewed this way, the meeting of the two men resulted in a natural exercise of political influence; it was a loud statement: "We are still very much alive."

This meeting was possible because of Chon's change of attitude, revealed persons associated with the 5th and 6th Republics.

Chon has long refused to meet with No because of his deep feeling of betrayal by him in the course of the 5th Republic "liquidation" that took place after Chon left office in 1988. He has reportedly insisted, "No must apologize and beg forgiveness for the 5th Republic Liquidation." However, considering recent conditions and especially seeing former American president Carter working to resolve North-South tension due to the nuclear issue, Chon showed a change of heart, report his aides. The aides of the two men, who in the past worked together in the Cabinet and the Blue House, all advised reconciliation, it is reported. Of these, An Hyon-tae and Choe Sok-rip, Military Academy graduates who both served as presidential security chief, went back and forth between the two sides, acting as mediators.

After paying their respects and placing floral wreaths on the morning of 25 June in the National Cemetery, before the Memorial Gate, Patriots' Graveyard, Provisional Government Graveyard, and the graves of former presidents Syng Man Rhee and Pak Chung-hi, the two former presidents had lunch together at a restaurant in Kangnam and reminisced. They met at the February 1993 presidential inauguration ceremony and at the Blue

House this January, but this is the first time since Chon left office that the two have met alone.

Fifth Republic Presidential Secretary Pak Yong-su, NSP Director Chang Se-tong, and Presidential Security Chief An Hyon-tae and 6th Republic Presidential Secretary Chong Hae-chang, Presidential Security Chiefs Yi Hyon-u and Choe Sok-rip, Blue House Press Secretary Yi Su-chong, and Secretary Yun Sok-chon also joined in this day's meeting. "When were there ever bad feelings between the two?" they all said with bright expressions. "They will naturally meet often in the future."

However, one key No aid predicted, "Even if they say they are reconciled, if the relationship goes bad, it is unlikely to be completely restored."

Ministry, DLP Agree to Structural Changes

SK0808063094 Seoul YONHAP in English 0549 GMT 8 Aug 94

[Text] Seoul, Aug. 8 (YONHAP)—The ruling Democratic Liberal Party (DLP) and the Foreign Ministry agreed on structural and appointment adjustments in overseas missions and mission chiefs Monday where an ambassador is automatically retired if not reposted within one year after his term ends.

"Special-appointment" ambassadorial posts, often occupied by military officers or other non-career diplomats under the past administrations, will be reduced in number and saved as much as possible for those with experience as a mission chief.

The adjustments, aimed at promoting professionalism in foreign affairs and enhancing national competitiveness, include special employment of experts in world economy and trade.

The proposed changes include closing down of three overseas missions within this year. This measure will be extended to 1995, designed to accommodate changing inter-Korean relations, situations in North Korea, and the status of South Korea such as its ambitions for non-permanent seat on the UN Security Council.

While keeping the lid on the number of attaches, the DLP and the ministry agreed that some of the attaches should be titled as diplomats to boost their morale and to make it easier for them to negotiate with their counterparts in foreign countries.

Other plans call for nurturing the ministry's Institute of Foreign Affairs and National Security (IFANS) as official education institution for diplomats, especially in external economy and trade.

The DLP and the ministry agreed to promote the fairly new system of appointing career diplomats as ambassador for international relations to local provinces, getting the Home Ministry to assist in settling this new system.

Foreign Ministry Reshuffles 3 Directors-General

SK0908084394 Seoul YONHAP in English 0811 GMT 9 Aug 94

[Text] Seoul, Aug. 9 (YONHAP)—The Foreign Ministry appointed O Yun-kyong, inspector-general, as new director-general of Treaties Bureau Tuesday [9 August] in a reshuffle of three posts.

Choe Kyong-po, senior coordinator for planning and management, will replace O.

Kim Yong-ki, senior director for Intelligence Evaluation and Management, was named new director-general of Cultural Affairs Bureau.

Labor-Management Negotiations at Hyundai Stalled

SK0908085894 Seoul YONHAP in English 0054 GMT 9 Aug 94

[Text] Ulsan, South Kyongsang Province, Aug. 9 (YONHAP)—Collective bargaining at Hyundai Heavy Industries Co. stalled again Monday [8 August] as the labor and management of the shipyard failed to narrow differences on the union's demands for revocation of the "no-work-no-wage" policy and the withdrawal of complaints filed by the company with police against union leaders.

Hyundai Executive Director Sin Ik-hyon told reporters that the labor and management nearly completed negotiations on 23 remaining agenda items through behind-the-scene negotiations.

"The union, however, is demanding that the management reinstate sacked unionists, revoke the principle of no-work-no-wage, withdraw the legal complaints filed against union leaders and guarantee another round of negotiations after the conclusion of collective bargaining at Hyundai Motor Co.," said Sin.

Sin also said that the management could have separate discussions with the union on the reinstatement of sacked unionists after the conclusion of the ongoing collective negotiations.

He, however, flatly refused to accept three other demands raised by the union.

Deposit Insurance System in Banking Planned

SK1008024994 Seoul THE KOREA TIMES in English 10 Aug 94 p 9

[By staff reporter Yi Chang-sop]

[Text] The government has decided to introduce a deposit insurance system as an institutional device to protect depositors from the collapse of banks.

Assistant Finance Minister Yim Chang-yul said yesterday that the government will complete a study into the introduction of deposit insurance system next year, one or two years ahead of schedule.

Under the system, it becomes mandatory for banks to contribute a fraction of deposits to a deposit insurance organization for the protection of their clients in the event of failures. The deposit insurance organization is likely to be established in 1995 at the earliest.

He said the government can no longer print money to bail out ailing financial institutions, adding that banks should shoulder responsibility for their own management.

It is the first time that a government official has spoken of the plan to introduce a deposit insurance system. In the original five- year financial reform plan, the government said ti would "study" the possibility of introducing the deposit insurance system sometime in 1996 and 1997 but no definite announcement was made.

In Korea, a legal deposit insurance system exists for the nonbank financial institutions but the government had tacitly stood behind banks to protect depositors.

The Korea Nonbank Deposit Insurance Corporation collects a fraction of its fees from investment finance firms, merchant banks, and mutual savings and finance companies. The associations of New Community (Saemaul) finance companies and credit unions also collect fees from member companies. The associations guarantee payment of up to 5-20 million won to depositors when their member firms collapse.

The Insurance Supervisory Board also operates a fund to protect policy-holders. Securities companies have voluntarily set aside a fraction of deposits they receive from investors as an investor protection fund but there is no institutional fund in the securities industry for the protection of investors.

Despite the existence of the deposit insurance system for nonbank financial system, no financial institution has collapsed so far. But the government does not preclude the possibility of failures of financial institutions in the future as the reform progresses.

Bankers are lukewarm about the deposit insurance systems as they will have to pay fees, which will weaken their competitiveness over nonbank financial institutions.

Local banks, which are burdened with huge amounts of nonperforming loans, will see a weakening of their competitiveness if they have to pay fees to a deposit insurance agency, analysts agree.

Ahead of the introduction of a deposit insurance system, banks will be given tax incentives to eliminate nonperforming loans, Assistant Minister Yim said.

Before Korea introduces a deposit insurance system, several options should be studied, analysts said.

The first is whether the system should be mandatory or optional for banks.

Secondly, to what amounts will depositors be able to get compensation in case of the collapse of banks?

Thirdly, should insurance premiums be the same for all banks, regardless of their financial health?

Fourthly, will the government establish an agency which will be in charge of deposit insurance only for banks? Or will a new deposit insurance agency take over the existing semi-deposit insurance organizations for nonbank financial institutions and become an agency handling all kinds of deposit insurance in the financial market?

Fifthly, should the deposit insurance organization be empowered to work as a self-regulatory agency?

Sixthly, should the deposit insurance corporation be run by the government, private organizations or be a mixture of the government and the private sector?

Firms Chosen To Run Local Commercial Television

SK1008085994 Seoul YONHAP in English 0746 GMT 10 Aug 94

[Text] Seoul, Aug.10 (YONHAP)—The government announced Wednesday its final selections of private consortiums to run the much-coveted local commercial television stations in the nation's four largest provincial cities.

According to the government announcement, a consortium led by Han-chang Corp., manufacturer of communication and broadcasting equipment, was selected as the operator of the commercial TV station in the southeastern port city of Pusan. Three groups had applied for the right to set up the local commercial station in Pusan.

A group of applicants led by Chonggu Housing and Construction Co. was chosen for the right to establish a commercial TV station in Taegu, beating four other groups, according to the government announcement.

For Kwangju, a group led by Daejoo Construction Co. emerged victorious among nine applicants competing for the right to the commercial TV station in the capital of the southwestern region of the country, according to the announcement.

A consortium led by Woo-sung Feed Co. was given the final go- ahead for the establishment of the commercial TV station in Taejon, the capital of South Chungchong Province, according to the announcement.

Information Minister O In-hwan announced the results at the final meeting of vice ministers concerned and members of the committee to select operators of the provincial commercial TV stations.

O reportedly briefed President Kim Yong-sam on the results of the screening process for the operators of the local commercial stations.

Agricultural, Forest, Marine Trade Deficit Noted

SK0608054994 Seoul YONHAP in English 0409 GMT 6 Aug 94

[Text] Seoul, Aug. 6 (YONHAP)—Trade deficit in the agricultural, forest and marine products sector continued to expand in the first half of this year despite that exports registered their first growth in five years.

The Agriculture, Forestry and Fisheries Ministry revealed Saturday [6 August] that the exports of the primary products during January-June period this year grew 12.1 percent from a year earlier to 1,385 million U.S. dollars while their imports increased 13.8 percent to 4,182 million dollars.

As a result, the trade deficit of the agro-fishery products rose 15.4 percent to 2.80 billion dollars during the cited months, accounting for 78.6 percent of Korea's entire trade deficit of 3,557 million dollars.

The export growth resulted mainly from solid transactions with Japan and the country's active participation in major international farm products expositions including Green Week in Germany in January and Foodex Japan in Japan in March, the ministry analyzed. Exports to Japan reached 918 million dollars, up 17.1 percent from same period of last year, the ministry explained.

On the other hand, imports of the primary products was on the increase continuously with the expansion of the import liberalization items, led by stock feed, beef and marine products in particular.

*High Value-Added Drug Industry Neglected

942C0180E Seoul CHUGAN CHOSON in Korean 16 Jun 94 pp 36-37

[By reporter Kim Chi-hyong]

[Excerpts] There is a chemical called cholic acid. The price of this chemical, a compound made from petroleum, is $10 per kilogram. Betamethazone-17-valerate, a medicine for skin disease, is extracted from cholic acid through a series of chemical reactions. The price of this medicine is $10,000 per kilogram.

That is why the pharmaceutical industry is called a high value-added industry. A pharmaceutical manufacturing enterprise can operate with smaller scale facilities and with less energy than other industries. In terms of the ratio of added value per unit of energy consumed, the pharmaceutical industry's ratio is 8 times that of the basic chemical industry, 2.5 times that of the fuel industry, 12 times that of the iron and steel industry, and a whopping 35 times that of the oil refining industry. However, not all pharmaceutical companies enjoy such high profits. Only those companies that succeed in developing new medicines can enjoy a monopoly of high profit during the patent period, which ranges between 15 and 20 years. [passage omitted]

It is obvious that the pharmaceutical industry will carry a greater weight in the 21st century given the aging of the population and an ever-increasing demand for medical care. The scale of the world pharmaceutical market, a $180-billion market in 1993, is expected to grow to the tune of $270 billion.

Annual sales of our pharmaceutical companies total 4 trillion won. In terms of the size of market, it ranks 10th in the world. Unfortunately, however, it is a veritable dropout when it comes to developing new drugs. In all, 575 new drugs were discovered in the world in the 12-year period from 1981 through 1992. Of this total, the eight leading pharmaceutical manufacturing countries in the world, including the United States, Japan, Switzerland, accounted for 516, or 90 percent. There was not a single new drug developed in our country.

Despite its 100-year history, it has been less than 10 years since our pharmaceutical industry embarked upon developing new drugs in earnest. Until 1987, when products patent was introduced, our pharmaceutical firms had freely copied new foreign drugs without paying any royalties.

When it comes to copying other firms's products, the situation was the same with domestic pharmaceutical products. While neglecting research and development, they got on the bandwagon to produce drugs which they thought would sell well. These products are so-called "me-too" drugs.

The road to developing a new drug is long and rough. The probability that a new substance uncovered in the research room will be clinically applied to patients is less than one in 1,000. That is why the development of a new drug is compared to drilling for oil. The length of time required for new pharmaceutical development is 10 years on the whole, and the research cost reportedly amounts to 100 billion won.

In 1992 our domestic pharmaceutical companies spent a total of 91.2 billion won on research and development, including the research for new drugs. This is less than 1/10th of $1.2 billion (960 billion) spent by Graxo alone on research and development each year. Our pharmaceutical companies spend only 3 percent of their total sales on research and development as against between 12 and 17 percent by their counterparts in the advanced countries.

Our pharmaceutical firms spend 9.6 percent of their sales volume, or more than three times their research and development cost, in advertising. Needless to say, advertisement plays a part in developing the pharmaceutical industry. But the problem is that advertising does not play the positive role of expanding the market for a particular drug, so much as it serves the wasteful purpose of blocking the competitors from encroaching upon its market. For this reason, voices are mounting among pharmaceutical companies calling for the adoption of regulations to curb excessive advertising.

The general decrease in profits of pharmaceutical companies is responsible for the decrease of research and development spending. Pharmaceutical firms are supposed to produce high added value, but that is not the case in our country. The low profitability of the pharmaceutical industry becomes obvious when it is compared with other industries.

The 1993 net profit of the pharmaceutical industry was 2.4 percent of the total sales, about half of the average profit of 4.6 percent for the manufacturing sector. D Company, which topped our pharmaceutical industry last year with the sales volume of 244 billion won, netted a profit of 700 million won.

Pharmaceutical companies themselves are mainly responsible for the sluggishness activity of the pharmaceutical industry. In our country only 24 percent of drugs are sold through the wholesale merchants, compared with 85 percent in the United States, 92 percent in Japan, and 93 percent in Germany. Each pharmaceutical company in our country has its own branches, and this means more dealers and a higher distribution cost. In addition, the excessive marketing cost, too many small firms, and undocumented transactions were also responsible for the weakened position of our pharmaceutical industry.

The government has also neglected to support the pharmaceutical industry while supporting other industries. The pharmaceutical industry is excluded from the 400 billion won industrial development fund for small and medium businesses, as well as the structural adjustment fund for small and medium businesses.

The Ministry of Health and Social Affairs, the ministry in charge, has treated the pharmaceutical industry merely as an object of regulation and control. Only several years ago, the Ministry of Health and Social Affairs used the records of control and oversight as an important criterion for evaluating its pharmaceutical administration. While pushing for Korea good manufacturing practice (KGMP), which may be called Korea Standards (KS) as applied to pharmaceutical manufacturing, the Ministry of Health and Social Affairs did nothing but issue instructions. Pharmaceutical companies spent an average of 2 to 10 billion won to install automated equipment, but received no financial assistance. Seventeen years have elapsed since the KGMP plan was launched in 1976, but as of now only 40 percent of pharmaceutical firms have automated equipment. [passage omitted]

Fortunately, despite the general trend for downsizing, So Sang-mok, the new Minister of Public Health and Social Affairs, has established a new drug development section in the pharmaceutical administration bureau of his ministry, drawing the attention of the pharmaceutical industry.

The excessive control of drug prices under the medical insurance system is another reason for the shrinking pharmaceutical industry. The increasing demand for medical care until the early 1980's prior to the introduction of the medical insurance system had contributed to the growth of the pharmaceutical industry. However, the government stuck to a policy of holding down pharmaceutical prices while introducing a national medical insurance system in 12 years, a task, which took foreign countries 50 to 100 years to accomplish.

One fact that cannot be overlooked is that the lower rate of increase in medical fees over the rate of general price increases has resulted in financial difficulties for hospitals. Each year medical fees were regularly raised in March, but this year the increase has been postponed until July or later. It is difficult for pharmaceutical companies to make profits selling drugs to hospitals that are having financial difficulties because medical fees are kept to a low level. Moreover, the practice of delayed payment of medical bills by members of the medical insurance association affect even the hospitals concerned.

The facilities that figure large in the process of developing new drugs are clinical testing facilities. In fact, half of the cost of developing a new drug is spent on clinical tests. Currently, 82 general hospitals are designated by the Ministry of Health and Social Affairs as critical testing facilities. But only three hospitals—the Seoul University, Yonsei University, Catholic University annex hospitals—are equipped with adequate testing facilities. The Ministry of Health and Social Affairs plans to establish a clinical testing center in the National Medical Center by 1997. However, experts argue that it would be more economical to select and support one of the university annex hospitals with teaching and research capabilities as the site of the proposed clinical testing center.

In addition, medical information centers, animal experimentation centers, and other support facilities are indispensable for the development of new drugs.

Recently, the government has been getting slightly more serious about investing in pharmaceutical development, in a departure from its long-standing indifference. The cases in point are the leading technology development program (started in 1992) under the Ministry of Science and Technology and support program for the development of new drugs (started in 1991) under the Ministry of Health and Social Affairs. Both programs are still in their early stages, and the amount of the funding is small. The amount of research funds provided to over 100 research institutes up to last year under each of these two programs totaled 20 billion and 6 billion won, respectively.

Even under this unfavorable condition, there were two meaningful harvests last year. Two cancer-fighting drugs:

DA-125 of Tong-A Pharmaceutical Co. and SK-2053R of Sunkyong, became the first locally manufactured drugs to receive permission to be used in clinical testing. Both drugs are less toxic than existing carcinostatic substances, and their efficacy is outstanding. They are currently being clinically tested on cancer patients. An additional 15 promising drugs are currently in the process of being researched and developed.

Burma

SRV Agriculture Minister Continues Visit

Received by Than Shwe

BK0908144794 Rangoon Radio Burma in Burmese 1330 GMT 9 Aug 94

[Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and commander in chief of the Defense Services, received Mr. Nguyen Cong Tan, minister of agriculture and food industry of the Socialist Republic of Vietnam, and his party—currently visiting Myanmar—at the Ministry of Defense's Dagon House at 1030 today. In addition to SLORC Chairman Sr. Gen. Than Shwe, also present at the meeting were SLORC Secretary-1 Lieutenant General Khin Nyunt, Agriculture Minister Lt. Gen. Myint Aung, Foreign Minister U Ohn Gyaw, and Protocol Department Director General Thura U Aung Htet. The visiting minister and delegation were accompanied by Mr. Tran Viet Tan, SRV ambassador to the Union of Myanmar.

Concludes Visit

BK0908150294 Rangoon Radio Burma in Burmese 1330 GMT 9 Aug 94

[Text] A discussion on cooperation in the development of the agriculture sectors in the Union of Myanmar [Burma] and Socialist Republic of Vietnam was held at the Myanmar Agriculture Service's guest hall on Natmauk Road in Yangon [Rangoon] at 0800 today along with a ceremony to sign a memorandum of understanding. Agriculture Minister Lieutenant General Myint Aung and Mr. Nguyen Cong Tan, SRV minister of agriculture and food industry, singed the memorandum of understanding. Following the signing ceremony, the visiting minister and his delegation visited Lawga Natural Park and toured Yangon accompanied by the minister of agriculture.

The six-member SRV agriculture delegation led by Mr. Nguyen Cong Tan, minister of agriculture and food industry, left Yangon International Airport for the SRV via Thai Airways at 1630 today. The delegation was seen off by Deputy Agriculture Minister U Tin Hlaing and departmental officials.

Pa-o, Shan Armed Groups Clash in Ho-pong

BK1008090494 Rangoon Radio Burma in Burmese 0630 GMT 10 Aug 94

[Text] Members of the Pa-o National Organization [PNO] and 50 members of the SURA [Shan United Revolutionary Army] armed group who had entered Ho-pong region clashed near Namhkut village in Ho-pong Township in the Shan State at 1130 on 15 June 1994. Members of the SURA retreated after after an hour, carrying away their wounded members. The SURA members burned down 15 homes in Namhkut village and three homes in Hlaing Myashin village as they retreated.

Brunei, Malaysia & Singapore

Malaysia

Ranariddh Interviewed on Economic Plans

BK0608114594 Singapore BUSINESS TIMES in English 5 Aug 94 p 15

["Exclusive interview" with Cambodian Prime Minister Prince Norodom Ranariddh by BUSINESS TIMES correspondent Harish Mehta in Phnom Penh—date not given]

[Mehta] Prince Ranariddh, an omnibus investment law has just been passed. How will it go down with foreign investors? Do you anticipate a big rush of investments into Cambodia?

[Ranariddh] We do not expect a real rush into Cambodia, but I think that our investment law will surely be one of the most liberal and advantageous ones compared with others around the region. The hope for Cambodia is that serious investors should come. The main focus of the law is to create investment which will create employment.

[Mehta] I understand that the newly-set up Council for the Development of Cambodia (CDC), which is like a board of investments, is planning a roadshow to woo investments in Singapore, Hong Kong and Malaysia.

[Ranariddh] Not only are we going to these three places, but also to other places—in Europe, in particular, the US and Japan. The CDC would also like to have a special relationship with the Economic Development Board (EDB) of Singapore, and we would like to benefit from the experience of the EDB. The World Bank greatly supports us in this project to have a special link, or relations, with the EDB.

[Mehta] Your government is offering investors a corporate tax rate of 9 per cent, which is the lowest in Asia. Is such a low rate a wise policy in the long term?

[Ranariddh] One cannot compare rate with rate (in different countries in the region). Hong Kong's corporate tax rate is 17 per cent, Thailand's is 23 per cent, and so on.

We cannot compare Cambodia with all those countries because in those countries there are, let's say no risks. In Cambodia, there at risks—political or other risks.

Therefore, our laws have to be very attractive. We have decided to provide not only these attractions to investors, but also guarantees.

[Mehta] During your visit to Singapore last August, you held talks with Prime Minister Goh Chok Tong on economic assistance. Singapore government companies visited Cambodia this year to study infrastructure needs. What was the outcome?

[Ranariddh] The team did research and investigation on building a seaport and airport. After that, Mr Goh sent me a conclusions paper—a report to rehabilitate the seaport and airport. It was a very complete report.

We will continue to talk to Singapore to try and implement these infrastructure projects through international bidding, and get companies willing to come and build this infrastructure. We do have some kind of a masterplan to rehabilitate our seaport and airport.

[Mehta] When your Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party came to power after the May 1993 polls, you made a lot of election promises. Do you think your government has delivered on those economic promises to create new economic laws and set up a modern banking system? What steps are you taking to realise the Great Cambodian Dream to improve people's lives?

[Ranariddh] The Royal Government was formed just nine months ago; it has not even completed one year. In those nine months, we have done a lot in all fields. We have tried our best in the field of security, and so on. But what we are concentrating on is the development of the country, the well-being of the people.

This starts with economic growth, with full employment. We believe that the investment law, which is the most liberal in our region, if not in the world, will attract investors and will provide employment to the Cambodian people.

The choice of the government is either to have a big income for the state or employment for the wellbeing of the people. The investment law is clearly directed towards the second priority—that is, to provide jobs. That way, we will have social stability which will, in turn, provide political stability.

[Mehta] During the Cambodian election campaign in April last year, you had commented that the Cambodian economy had come to resemble a "jungle economy" with many grey areas. Has the situation improved?

[Ranariddh] We still have some kind of a jungle economy. Both the Cabinet and the National Assembly will pass a series of laws soon that will provide a legal framework to our economy. There will be a law on trade, and on chambers of commerce. Therefore, we will tackle, step by step, the jungle economy.

[Mehta] Cambodian Finance Minister Sam Rangsi was recently quoted in the international press as saying that many of the foreign banks that have operations in Cambodia are laundering black money from the drugs trade, arms trafficking and other illegal activities. What is the extent of these activities?

[Ranariddh] I don't know exactly whether this is a reality or not. But it appears to me that for a country like Cambodia, there are too many banks. I think 28 banks is too much, plus there are three or four applications in the bag.

Those banks are not big ones. The World Bank has just sent me a letter expressing its concern about the numerous small banks in Cambodia. We will soon take appropriate measures to provide regulations for banks.

[Mehta] Businessmen are eager to invest in Cambodia but the only thing that holds them back is the Khmer Rouge problem, and lack of personal security. Will you be able to lick these problems? Will you succeed in getting weapons from friendly countries to build the armed forces to fight the guerrillas? What is the strategy against the Khmer Rouge?

[Ranariddh] Our strategy is very clear. We will not wait for the time when security can be provided to Cambodia as a whole. What we are trying is to provide full security to the 90 per cent of territory controlled by the government of Cambodia. And to do that, we need help from outside. And inside, we will try our best to develop the 90 per cent of territory and provide full security. You know, many people talk about insecurity and so on. Take Madrid. A few days ago a big bomb exploded there—20 kg of TNT blew up near the royal palace at a spot popular with tourists. But nobody talked about security in Madrid. Let's talk about the UK. The IRA sets off one bomb after another, killing a lot of people.

How about the security of life in Washington, DC? How about New York? How about Los Angeles and Long Beach, California? You can walk in safety in Phnom Penh, but you can't walk around in New York. But the people talk a lot about the insecurity in my country. In general, I can say that Cambodia is very safe for investments.

[Mehta] On the recent ASEAN foreign ministers' meeting which was attended by Cambodia, is there a date for your country to join ASEAN?

[Ranariddh] I think so. The first step for us is to sign the Treaty of Amity and Cooperation in South-east Asia, or the Bali Agreement. After that, Cambodia will become an observer at ASEAN meetings. And finally an ASEAN member.

Why, you may ask? Because ASEAN is an economic organisation, and is non-military in nature. Therefore, being an ASEAN member doesn't mean that we are working against the neutrality and nonaligned status of Cambodia.

Neutrality means that we should not be part of any military alliance, etc. And because ASEAN is an economic and political organisation, we have to be in ASEAN in order to boost economic growth in Cambodia. All members of ASEAN, including Thailand, are very eager to welcome Cambodia.

[Mehta] Why is it that while the United States appears to be keen to supply weapons to Cambodia to fight the Khmer Rouge, Thailand has always been against the idea?

[Ranariddh] I didn't agree entirely with Thailand's stand. Why? First, I will have no objections if General Wimon (Thai army chief), or Prasong Sunsiri (Thai foreign minister) say that "we Thailand don't want to provide any arms and weapons to Cambodia".

But it is unfair to say that "we Thailand don't want the US, the UK or France to provide arms to Cambodia". It is unfair and it is an interference in the internal affairs not only of Cambodia, but also of the US, France, etc. We cannot accept it.

Secondly, they (Thailand) continue to say they don't want weapons to be sent to Cambodia because it would prolong the suffering of the Cambodian people. But what happened before the Cambodian elections (of May 1993) when Thailand provided weapons, Chinese-made and other makes, to the Cambodian resistance forces? At that time they did not care about the suffering of the Cambodian people.

If Thailand continues to lobby like this against the wishes of the US to provide weapons to Cambodia, I think Thailand will not be with the legal government of Cambodia, but with the Khmer Rouge. This is my concern.

[Mehta] Do you believe that the country's economic future depends on the Cambodian army's military strength to fight the Khmer Rouge and thus bring stability?

[Ranariddh] You know, my stand is quite clear on this point. First, we need weapons to provide security to those areas which we have to develop. And secondly, the best weapon against the Khmer Rouge is development.

When people are happy with the government, there will be social stability and political stability. People will be happy, and they will not want to be with Mr Pol Pot (Khmer Rouge leader).

The problem of Cambodia is not the problem of the Khmer Rouge; it is the problem of general poverty. The time when we will be able to provide food, clothing, education and medical care to the people, at that point we will resolve the security problem, we will resolve the problem of corruption, the problem of the Khmer Rouge.

Commentary Notes Obstacles in EAEC Concept

BK0908123794 Kuala Lumpur Voice of Malaysia in English 0810 GMT 9 Aug 94

[Station commentary]

[Text] Various attempts are being made to confuse and sabotage the concept of the EAEC or the East Asia Economic Caucus. There have been lies and deliberate disinformation aimed at derailing its formation. In view of this, Malaysia has for the umpteenth time explained what the EAEC is all about. The concept is aimed at ensuring that East Asian countries, not only compete against each other, but must also cooperate with each other. They must establish processes of cooperative prosperity with each other, especially as the enormous interdependence exists.

Malaysia opposed the creation of a preferential trading arrangement, or a free trade area, or a customs union, or an economic union for East Asia. What Malaysia wishes to see is the establishment of a loose consultative forum for East Asia. This forum should have both a regional and extra regional agenda. In the pursuit of the regional agenda, the economies of East Asia should meet at ministerial level to discuss how to enrich regional economic cooperation. In the pursuit of external extra-regional agenda, discussions should be on how to cooperate and ensure an open, nonprotectionist, healthy global trading and economic systems. Secondly, although regional trade was crucial, the caucus should not be confined to trade. This is because there is much that can be done with regard to optimizing joint development zones, trans-border investments, technology sharing, tourism, and even labor flows. On matters related to world trade, the EAEC must be champions of free and fair trade. It must champion the cause of open regional trade.

The EAEC should aspire to be a model for true North-South cooperation and contribute to the security and well-being on the part of all the economies of the region. Whatever cooperation embarked upon should be grounded in the principles of mutual benefit, mutual respect, egalitarianism, consensus, and democracy. This is the cradle of the EAEC. The concept has no ulterior motives as some quarters have made it out to be. The hope is that the Asia-Pacific region would be free and open for trade for all. Conflicting reports continue to cloud attempts to make East Asia an open free trade region. A lot of stories are now circulating what the nongovernmental APEC eminent persons group will be recommending in its second report to APEC ministers in Jakarta in November.

There was a report from Australia which was subsequently corrected that the eminent persons group, EPG, will be recommending the establishment of a powerful new trading bloc with some similarities to the early European Union. There was also REUTER reports from Singapore that the so-called eminent persons group, is expected to outline a plan to create a common market among the 17- member body.

According to Datuk Dr. Noordin Sopiee, the Malaysian member of the EPG of APEC, nothing is further from the truth. In fact, every single member of the EPG is absolutely opposed to the creation of an Asia Pacific trade bloc. He said the group is single-minded in its strong opposition to the creation of an Asia-Pacific trade bloc. Indeed, any process that would be [word indistinct] and that would divert the members and APEC from the pursuit of multilateral global free trade. [sentence as heard]

Such mischievous lies are being spread deliberately to ensure that the EAEC does not become a reality, and needless to say, to frustrate Malaysia's efforts.

Trade Deficit Increases in First Four Months

BK0708120094 Kuala Lumpur NEW STRAITS TIMES in English 5 Aug 94 p 14

[Text] Malaysia's trade deficit enlarged to [Malaysian ringgit] RM1.2 billion for the first four months of this year compared with a deficit of RM649.8 million during the Jan-March 1994 period, the Statistics Department said yesterday.

In the Jan-April 1993 period, Malaysia registered a trade surplus of RM1.8 billion from a trade surplus of RM1.697 billion in the Jan-March 1993 period.

For April this year, Malaysia recorded a trade deficit of RM532.4 million compared with a deficit of RM38.491 million for March 1994 and a surplus of RM113.5 million for April 1993.

Total exports for the month under review amounted to RM12.6 billion compared with imports of RM13.1 billion.

The department said the deficit in the first four months of this year was due to a higher growth of imports at 31.5 per cent to RM46.7 billion compared with an export growth of 22 per cent to RM45.6 billion.

It said the increased imports were mainly due to the significant rise in the purchase of machinery and transport equipment (+ 41.9 per cent), manufactured goods (+ 15.9 per cent) and chemicals (+ 11.8 per cent).

Imports of machinery and transport equipment, which amounted to RM8.3 billion, also represented 60.1 per cent of the total import expenditure during the period.

Major import components under this category which recorded increases were thermionic valves and tubes and photocells (+ 51.3 per cent or RM2.8 billion); electrical apparatus, resistors, printed circuits, switchboards and control panels (+ 50 per cent or RM664.7 million).

* Action Contemplated Against Al-Arqam

94SE0195A Kuala Lumpur BERITA HARIAN in Malay 3 Jul 94 p 10

[Commentary by A. Nazri Abdullah: "Who Has Changed: Ashaari or Tamrin?"]

[3 Jun p 10]

[Text] The Al-Arqam issue has long been talked about, but the courage to handle it seriously has only now emerged. We congratulate the Islamic Center and hope that this seriousness will eliminate the Islamic community's misunderstanding and anxiety regarding Al-Arqam. Until now, we have not been sure whether Al-Arqam is an organization, a movement, a company, or what. As far as we know, Al-Arqam is not registered as an organization, although its activities have been in the form of an organization. Many people are unhappy with Al-Arqam, because its activities have diverged far from what they were known to be 10 years ago. While its former activities were focused on strengthening faith and popularizing the Islamic way of living (although this can be questioned), Al-Arqam has now changed into a political movement with a political objective. From the statements of Ashaari Muhammad's colleagues who recently left Al-Arqam, something inappropriate to the movement has been detected. Since this matter involves questions of faith, it will be wiser to entrust it fully to the Islamic Center. Political statements from other people are not needed, because they could cloud the atmosphere. Al-Arqam is a peripheral issue that does not need to be put on the national agenda. We do not need to investigate Al-Arqam's products or bank account, because what needs to be determined immediately is whether Ashaari Muhammad's teaching is contrary to the faith. Several statements have been issued recently by Islamic religious authorities that Ashaari's teachings are contrary to Islam, but no action has been taken against Al-Arqam.

Recent developments show that Ashaari wants to become a political leader by his own methods. Several Al-Arqam activities at home and overseas have political objectives. By spreading propaganda about the emergence of Imam Mahadi, who is not recorded in Scripture or the Hadiths, Ashaari has successfully put himself forward as a holy leader feared by his followers. Perhaps because of his influence on the fanaticism of his followers, Ashaari has begun to show arrogance toward the authorities. He once offered to take over the Islamic Center and now asks to talk with the prime minister and the Malay monarchs, as though that were his status now.

The Islamic Center has long been patient with him, but the time has come for the Islamic Center to take effective action against Al-Arqam and Ashaari. Dr. Abdul Hamid Othman's statement that Al-Arqam is more dangerous than the Communists did not surprise anyone, because the Islamic community has in fact been waiting for the Islamic Center to have the courage to handle this issue. Many parents whose daughters have been influenced by Al-Arqam welcome any action against the movement. We are confident that the Islamic Center possesses evidence to expose the deviations of Ashaari's teachings and religious practices, which are contrary to Islam, so that dissatisfied people will not run to join that movement.

Probably no one was surprised by the action taken by Tamrin Ghafar, member of Parliament from Batu Berendam, in joining Al-Arqam, because one of Al-Arqam's strategies is to befriend dissatisfied influential people so that they will join Al-Arqam. They befriended Tamrin because Tamrin is a son of Ghafar and a member of Parliament. When informed that Tamrin had joined Al-Arqam, a colleague of his said he felt there will be a change in Al-Arqam. He said that Ashaari may become more bold because of Tamrin's membership. If Ashaari does not change, Tamrin will change. We do not know what will change or for how long.

Al-Arqam's strategy in influencing certain people and professional groups has long been known, because this method can enhance Ashaari's image and influence. To some extent, Tamrin has now become a spokesman for Ashaari and Al-Arqam. Al-Arqam has no intention of befriending 17,000 drug users wandering about Kuala Lumpur, because membership by such people would be a burden on Al Arqam's funds. Although it helps weak groups, such as some drug users and poor people, with Islam's great teachings, Al-Arqam is not interested in those groups.

That is a secondary matter, however. The important thing that must now be done by the Islamic Center and Islamic scholars is to look at Al-Arqam from the aspect of Islam to determine whether the movement's teachings are deviant or not. If they are deviant, effective action must be taken immediately.

[5 Jul p 9]

The government has sufficient evidence to show that the objective of Al-Arqam's activities is not to promote Islamic teachings but merely to protect the interests of its president, Ashaari Muhammad.

Datuk Dr. Abdul Hamid Othman, deputy minister in the Prime Minister's Department, said in a written response to Ibrahim Mustafa (BN [National Front]—Sungai Petani) that Al-Arqam's followers elevate Ashaari as an imam [the officiating priest of a Mosque] who can practice true Islam.

"Therefore, he (Ashaari) must be protected by any means whatever, including the sacrifice of property and life, if necessary. The Badar Army was formed for that purpose," he said.

Dr. Abdul Hamid said that the government is committed to restricting deviant beliefs and misleading teachings in this country, of which 43 have been identified.

Meanwhile, in a written response to a question from Shahidan Kassim (BN—Arau), he said that the government will promote public awareness about the Al Arqam group, not only from the belief aspect, but also from aspects of security and public tranquillity.

Also, the House of Representatives yesterday rejected a motion by Ahmad Nor (DAP [Democratic Action Party]—Bayan Baru) to discuss the issue of charges that Al-Arqam conducts activities contrary to Islamic beliefs.

[6 Jul p 2]

The government has identified at least 7,000 of its employees in the education and services sectors who are actively involved in the Al-Arqam organization, and disciplinary action will be taken against them if they are unwilling to abandon that false teaching.

Datuk Dr. Abdul Hamid Othman, deputy minister in the Prime Minister's Department, said the number was derived from lists obtained by the government and is based on an average of at least 500 employees involved in the Aurad Muhammadiah teaching in each state.

He said the government has drawn up several strategies for bringing out all employees involved in the movement led by Ashaari Muhammad by making them aware of how much those beliefs deviate from Islamic practices.

Disciplinary action, he said, would be the last resort, because the government realizes that they became familiar with Al-Arqam in order to have a deeper religion without being aware that the ritual recitations they perform make them too fanatical toward Ashaari.

"Datuk Sri Dr. Mahathir Mohamed directed that immediate action be taken to restrict these developments after determining that Al-Arqam has a negative effect on the country's security and politics. The prime minister directed that every action taken against them be effective.

"Appropriate action must be taken so that they will stop this conduct. We will correct them. If they cannot be corrected, we will impose disciplinary action," he said in the lobby of Parliament today.

Dr. Abdul Hamid explained that the government's action to handle the issue of the organization led by Ashaari came after Ashaari was reported to be a threat to national security through such things as the formation of an armed force outside the country.

He said government employees must be warned to be careful lest their actions cause trouble for themselves in the future.

[6 Jul p 11]

Kuala Lumpur, 5 Jul—The government is taking appropriate action against government employees who become followers of Al Arqam, according to instructions from Prime Minister Datuk Sri Dr. Mahathir Mohamed.

Datuk Dr. Abdul Hamid Othman, deputy minister in the Prime Minister's Department, said that immediate and firm action needs to be taken to restrict these increasingly serious developments.

In response to an additional question from Ahmad Nor (DAP—Bayan Baru) in the House of Representatives today, he said the government is aware that many Al-Arqam followers are government employees, including senior officials.

"Their involvement is hidden behind religious practice, thus resulting in their being snared by Al-Arqam's deviant teachings.

"The government takes this matter seriously and will take appropriate action against any government employee found to be involved in Al-Arqam," he said.

He also denied Ahmad's charge that the Islamic Center and the Islamic Affairs Division of the Prime Minister's Department had made false accusations and reports about Al-Arqam's activities.

"We have clear proof that by hiding behind religion Al-Arqam conducts activities contradictory to Islamic teachings and national laws," he said.

Answering an additional question from Ibrahim Ali (BN—Pasir Mas), Dr. Abdul Hamid said the government realizes that the teachings of Al-Arqam deviate far from true Islamic teachings.

"Ashaari also has convinced his followers that he has talked with the Prophet Muhammad. On a cassette that he issued, he quoted words of the Prophet Muhammad, whom Ashaari said was speaking to him.

"His actions can damage Islam, because he indicates that the Prophet Muhammad is still alive and is giving messages to mankind through certain people.

"He also indicates that the contents of the Koran and the Hadiths are not fixed and that they can be amended by messages from the Prophet Muhammad through certain people," he said.

In response to a question by Datuk Muhamad Abdullah (BN—Maran), Dr. Abdul Hamid said that the government is also examining in detail the activities of the top leader of Al-Arqam and will take appropriate action when necessary.

"There is clear evidence that Al-Arqam, besides being a deviant group from the aspect of its beliefs, also uses religion for personal interests.

"This is evident from its written materials and publications, including videos, which show that the group is fanatical toward reaching its aim of taking over the world. It vilifies and criticizes leaders, Islamic scholars, and those who are not in the same movement," he said.

In addition, he said, Al-Arqam has formed the Badar Army, which in other words is a group through which followers are willing to sacrifice anything to protect their leadership.

"The strategic base for this force is constantly shifting, depending on where Ashaari lives," he said.

Singapore

Prime Minister Goh's National Day Message

BK0908130794 Singapore THE STRAITS TIMES in English 9 Aug 94 p 22

[Text] We are doing well this year. Economic growth during the first half of 1994 was 10.5 percent. This followed a strong 9.9 percent growth in 1993. All sectors of the economy are expanding. Productivity growth is high. Consumer prices have been stable, despite the introduction of the GST [General Sales Tax] in April. For the year as a whole, MTI [Ministry of Trade and Industry] has revised the growth forecast upwards, to between 9 to 10 percent.

Ten years ago, I painted the younger leaders' vision for Singapore. I was then Minister for Defence, not yet Deputy Prime Minister. Lee Hsien Loong was about to enter politics.

We campaigned in the December 1984 General Election on the basis of our vision to make Singapore a developed country, a cultivated society, by 1999, or to use our slogan then, to make Singapore a City of Excellence and a Society of Distinction.

Many big changes have taken place since then, in Singapore and in the world. Some were expected, but many were unimaginable.

The Cold War ended with the quick and sudden collapse of the Berlin Wall in November 1989. The Soviet Union broke up.

Sworn enemies have made up. Israel signed a peace accord with the PLO. Nelson Mandela became President of South Africa, with de Klerk as his Vice-President.

Nearer home, the Vietnamese withdrew from Cambodia. Last year, Cambodia held elections. In February this year, The US lifted trade and investment restrictions on Vietnam.

The biggest industrial revolution in human history is taking place in Asia. Asia is taking off. The four NIEs [Newly Industrialized Economies] are closely followed by Malaysia and Thailand.

The big Asian economies, China, India, Indonesia and Vietnam are opening up and competing in the world market. Over the next few decades, China's stupendous transformation will shift the economic centre of gravity of the world.

In Singapore, Mr. Lee Kuan Yew stepped aside as Prime Minister in 1990, completing the leadership self-renewal process. Two-thirds of the present Cabinet Ministers were not there in 1984.

While the world and Asia have changed radically since 1984, in Singapore the change has proceeded smoothly, very much as we planned it. We have delivered on our promises we made in 1984.

Real wages, housing, education and health care standards, public transport and leisure facilities have all improved. Our per capita income today of $22,000 [Singapore currency] is higher than Britain's and New Zealand's.

We are on track to achieve the 1984 Swiss standard of living. But it will take us many more years to catch up with their accumulated assets in their centres of learning and research, think-tanks, libraries, art galleries, museums, theatres, opera houses, national monuments and national parks.

Our economy has become more advanced. High-tech manufacturing and a sophisticated services sector are generating more challenging and rewarding jobs. We have built a city of expressways and free- flowing traffic, of time-saving, swift and comfortable MRT [Mass Rapid Transport]; of electronics, telecommunications and computers.

We will soon be wiring up Singapore to deliver 20 to 30 cable TV channels, and later two-way multi-media services.

Perhaps, more important than these material achievements are the efforts to look after those among us who find it difficult to keep up with the fast pace of economic growth and development. It is not enough to have the strong muscles and sinews if there is not enough heart. I am pleased to see the community organisations working with the Government to improve the living standard of these Singaporeans.

We have established Mendaki [Muslim Endowment Board], Sinda [Singapore Indian Association], CDAC [expansion unknown] and now the Eurasian Association self-help programme. We have upgraded our schools and examination results have improved all round, for all ethnic groups. With more resources, we can now pay greater attention to children with normal intelligence but specific learning handicaps, children who can benefit from specialised teaching, and learn to perform like normal children.

Almost every Singapore family now owns the house it lives in. The Small Families Improvement Scheme will help more poorly-educated low-income families to own their homes, and break the vicious circle which entraps them in poverty.

We have used our increased resources to build up the assets of all Singaporeans, and to help the less successful among us. This we have done without undermining incentives to work hard and achieve.

The challenge is now to get the younger generation, now in their 30s and 40s, to prepare to take charge of Singapore in the 21st Century. There is great satisfaction in serving and playing a central role in a nation's life, in being able to make a difference to the lives of a whole society.

A safe, secure, clean and vibrant environment does not happen by chance. Leaders must be tested and give time to gain experience in operating and improving upon the Singapore system, which enables all workers, managers, professionals and businessmen to develop their potential to the fullest and prosper.

Like my colleagues and I did 10 to 20 years ago, younger Singaporeans must come forward to set new goals ad overcome new challenges. They must plan and create opportunities for all Singaporeans—the rich, the middle-income, the low income.

Honest and committed leaders are the most important single factor in deciding Singapore's future. We need another 10-15 in the next few years, men and women who can think and work beyond themselves and their immediate families, or Singapore will decline.

In six to 10 years, we will reach developed country levels of per capita income. But this does not mean that we have arrived at Utopia and will live happily ever after.

No developed country is free of problems. But the problems they face are different. They are not those of ignorance, poverty, disease and backwardness. They are the problems of indulgence, or rather over-indulgence in materialism, in subsidies and welfare.

Over-indulgence has contributed to a loss of ethical and moral standards, the breakdown of the family, increasing illegitimate births, loss of discipline at home and in schools, and young people taking to drugs and crime. We must learn from the mistakes they made. We must not think that wealth and money can solve all social problems

For civilised living, people must have strong moral values, discipline, and proper family upbringing. These are basic virtues that societies, however high-tech, still need. The question is, how are Singaporeans to retain their basic values in an age of increasing materialism?

This is a different challenge. We have to find enough people with selfless spirit of the older generation to form a leadership which can unite Singaporeans and get them to work together to make tomorrow's Singapore better than today's.

Cambodia

Ranariddh Discusses KR, Illegal Immigrants

BK0908071594 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 8 Aug 94

[Speech by Prince Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, at a primary school inaugration in Sdau Leu, Kang Meas District, Kandal Province on 8 August—recorded]

[Excerpts] [passage omitted on construction of the school and importance of education] At this moment, I do not wish to mention the Khmer Rouge [KR] issue at all. However, in his highly significant speech, his excellency the governor of Kompong Cham Province raised two problems concerning the life or death of the nation and peace of the country, namely the Khmer Rouge and the coup attempt.

Concerning the Khmer Rouge issue, I would like to stress that the Royal Government is not as warmongering as it was believed to be. The law that has outlawed the Khmer Rouge has received the full support of the governor of Kompong Cham Province, representing all provincial employees and administrators. This law was passed by our MP's throughout the country within the framework of the National Assembly following most appropriate debates, discussions, and deliberations on the Khmer Rouge activities. It was because they had refused to join the process of peace in Cambodia, because they had betrayed their own promise and the Paris accords, and because they had refused to join the general elections. Recently, they also caused the roundtable talks held at the enlightened initiative of his majesty our venerated king, to fail.

Once again, I would like to inform you, venerable monks and elders, that what we want is peace in the country and in the everyday life of the people. Allow me to stress that in response to the appeal made by his majesty our venerated king to the Royal Government, the National Assembly, and the Khmer Rouge for an unconditional and extended cease-fire, the entire government, the entire National Assembly, although it is the sole legal representative of the country, made a great concession by agreeing to sit as equals at the same table with a rebel group and accepting observation of a cease-fire and an end to bloodshed without imposing any condition other than asking for a specific date of the cease-fire. We supported the correct initiative of the king and answered the aspiration of all the Cambodian people.

However, it was a great misfortune for our nation that the Khmer Rouge obstinately rejected our king's proposal for an unconditional cease-fire without a time-frame. They have gone as far as to intensify their subversive and plundering activities against our people, such as felling trees in the forests, selling minerals to foreigners, blowing up bridges, and attacking trains, causing deaths and injuries to many innocent passengers. The Khmer Rouge have only one goal in mind: to undermine the legal national institutions born out of the will of our people.

However, although the Khmer Rouge have been placed outside the law, our Royal Government continues to make concessions by giving the Khmer Rouge a six-month grace period to return to the national community with the goal of enabling all of us Cambodians to achieve national union for the reconstruction of the fatherland so that it would become as glorious and prosperous as during the time of Sangkum Reas Niyum and would catch up with all civilized countries in the world and especially our neighbors in the ASEAN that enjoy internal peace and have all the capacities to build and make their nations develop even more than some European countries.

Also just now, his excellency the governor of Kompong Cham Province has condemned those traitors who attempted to stage a coup d'etat on 2 July. These traitors, who betrayed their ideal and the people and who had subversive intentions, were condemned by national and international opinion. In particular, they were severely condemned by the ASEAN countries. The coup d'etat could be peacefully averted in time thanks to the support given by the Khmer Royal Armed Forces [KRAF], the police, and the people throughout to the Royal Government, which was born out of the will of the people and really serves the superior interests of our nation.

I take this opportunity to appeal most earnestly to all compatriots to please unite as a single force, uphold the solidarity to the best of your ability, and love and consider one another with the greatest sense of sincerity and affection both among the parties, within the ranks of the KRAF and the police, and especially among the people for the superior interests of the nation. Please cooperate closely in your work, regardless of your party affiliation just as I am working with Samdech Second Prime Minister Hun Sen with total mutual trust and cordiality. This is the only guarantee for the nation's stability and security and for making our country develop and prosper as in the time of Sangkum Reas Niyum. [applause] Under Sangkum Reas Niyum we were prosperous because we had peace, concord, and especially a great leader, our venerated king father who rallied the entire nation around him.

The Royal Government is currently making every effort to fulfill its tasks in cooperation with the National Assembly, working hard to turn our Kingdom of Cambodia into a law-abiding country with all the laws needed throughout the country. Recently, the Investment Law, which is very important for the development of the investment sector in the Kingdom of Cambodia and necessary for bringing employment to each citizen and raising his living standard, a law long awaited by major national and international investment groups such as those from Japan, was passed by the National Assembly on 4 August 1994. [passage omitted on the unpredictability of the weather] So, we hope that after the National Assembly has passed this Investment Law, major companies will come to the country because they see that this law is very good and beneficial to both the investors and our nation. More companies will thus come to our country. When they come in droves, it means that our young graduates will have employment. For example, the young students in this school will be confident of having employment after they complete primary, secondary, and hopefully higher education. If after graduation, they have no employment, it will be a big problem for our national community. Indeed, we need to develop our education, but we must have a new goal: vocational education. Do not be afraid of vocational training. Vocational training means that you are assured of future employment. If you do not have employment, if you are left jobless, it will be a big problem for our society. You know, social problems will lead to political problems. For this reason, the Royal Government and the entire National Assembly went all out to pass this Investment Law. We have won much plaudit for the qualities of this Investment Law, because it gives guarantees for foreign companies and guarantees for the future of our young men and women, the future backbones of Cambodia. [applause]

In the near future, our eminent National Assembly will begin debate on and pass the Immigration Law to solve the issue of foreign residents in the Kingdom of Cambodia. Our people throughout the country are also anxiously looking forward to this law. Our people have reported to the Royal Government that there are hundreds of thousands of illegal immigrants in Cambodia. The Khmer Rouge have claimed there are millions of illegal immigrants, but let us say there are a few hundred thousand of them who are robbing our people of their jobs. Not only do they rob our people of jobs, but they also bring diseases to this country. [laughter] Why don't you solve these problems, the people ask us. Especially Ranariddh, who during the electoral campaign promised so much, why do you forget your promises now that you are prime minister? The truth is not like that, excellencies. No one has forgotten. The Royal Government has remained alert to this problem. First we need a legal framework to operate in. Everyone wants our country to be a law-abiding state that the French call a state of law [three preceding words in French]. Once we have this law, we will immediately implement it. We will apply it to any foreigner who has lived in our country illegally, and we will invite him to go back to his country without resorting to a massacre. Should we solve this problem in a violent way, the international community whose aid we need will surely cry foul against us.

Excellencies, gentlemen, elders: The ministers of the interior are not indifferent to this problem. We know there are many, many of these illegal immigrants, but we need a law to proceed in the same way as in civilized countries. For example, I am Cambodian. If I go to Japan, I would not be allowed to stay there as long as I would like to. Japan has its law. If I break the law, Japan will surely deport me back to Cambodia. So, we are going to do the same thing practiced by others. What we need now is a law, and the National Assembly is going to pass one soon, either on 18, 19, or 20 August. The Royal Government would like to solemnly plegde today that once we have the law, we will immediately implement it without fail. Do not worry. [applause]

We want to have law, but everyone knows Cambodia is still a country without law. Do you know that most Cambodians have demanded that these immigrants all be deported? However, those in the international community have reproached me and the samdech second prime minister for not permitting entry to the Vietnamese immigrants who have been massing at the border. They charged that the Royal Government has violated human rights because it refused to let them come in. The Cambodians say all of them should be deported while the international community says they should be allowed to come in. We in the middle are in a funny position. The French call it being between the hammer and the anvil, or between the devil and the deep blue sea.

So, I beg the people to be understanding. Now, the Immigration Law will be passed in the next few days. The National Assembly will debate it on 18 and 19 August, for two days because it is an important law. Once we have this law, I would like to inform His Excellency [co-Interior Minister] Yu Hokkri here and His Excellency [co-Interior Minister] Sar Kheng that we will check the cards—there are so many of these cards: the cards issued by Sangkum Reas Niyum and those by the former State of Cambodia; only Pol Pot did not issue cards as he would dispatch to the afterworld anyone who asked for a card. Therefore, we will have to reexamine all these cards. After that, the law will be applied to them on a case-by-case basis.

All right, I am ending this long speech because the sun is becoming unbearable for most of you. [applause] On behalf of the Royal Government of our entire nation, on behalf of Samdech Hun Sen, in my own name, and on behalf of all compatriots present here, I once again sincerely admire and thank His Excellency Japanese Amabassador Imagawa, His Excellency Imachio, His Excellency Watanabe, representing the UN Support Fund, for contributing great resources to the construction of these school buildings for the prosperity and glory of Cambodia as in the time of Sangkum Reas Niyum. On behalf—allow me to continue my seemingly endless speech—on behalf of our venerated king, His Majesty King Norodom Sihanouk Varaman, our father of national education, I would like once again to express heartfelt admiration for the precious achievement born out of close cooperation and solidarity among the ministries and ministers, including His Excellency Yu Hokkri, his excellency the provincial governor, and friends in the UN Support Fund, and all excellencies, ladies, gentlemen, functionaries, and compatriots. May all of you enjoy the blessings of Lord Buddha. Thank you. I am not well versed in Japanese, but I have this only word to say to his excellency the Japanese ambassador: Thank you. [preceding word in Japanese]

Wait, I have just received this note from His Excellency Yu Hokkri: Please ask his excellency the representative of Japan to propose to Japan that it also help repair National Route 7 from the Thnal Keng extension of Route 6 to Kompong Cham city.

Let us hear the applause from the audience. [applause] Just having Route 6A is not enough, we wish to have Route 7, too. Do not tell me that you will also want Route 8 after having Route 7. [laughter] Let us just ask for Route 7 first. Your Excellency, I wish to...[preceding three words in French] but in your speech just now you spoke in Cambodian. Your speech was not written in Japanese and translated into Cambodian, but written and read in Cambodian. So, I do not have to translate this note into French at all. Please convey the request of all brothers and our governor here that after we have Route 6A may we also have Route 7, too? [applause] Well, I have more notes here. Prince Kromkhun Norodom Sirivut, our deputy prime minister and minister of foreign affairs, informs His Excellency Imagawa that this route is very important as it forks both to Kompong Thom and Siem Reap. Therefore, I beg His Excellency Imagawa to please convey the earnest request of the Royal Government, the provincial officials, and all compatriots who are shading themselves under their scarves overthere in the glaring sun for the construction of this route. [passage omitted]

KR 'Strategy' To Kidnap Westerners Seen

BK0808113594 Phnom Penh The CAMBODIA DAILY in English 5-7 Aug 94 pp 1, 2

[Article by Robert Bingham: "KR Kidnappers Take Their Orders From the Top"]

[Text] A series of abductions of westerners travelling in Cambodia—coupled with rampant rumors about threats and violence against foreigners in the country—has fueled speculation that the Khmer Rouge [KR] have recently implemented a strategy designed to make foreign powers shy away from actively supporting the Royal Government in their military campaign against the guerrilla faction.

Interviews with western analysts and government officials in recent days confirm that the recent incidents, which include the kidnapping of at least nine westerners this year, are no merely random acts of violence by guerrilla elements acting entirely independently from central command. But it also seems unlikely that the kidnappings mark the beginning of a large scale terrorism campaign.

Despite conflicting reports as to its unit size, Royal Government and UN officials agree that the Khmer Rouge combatants controlling the Phnum Voar area—where 16 hostages are currently said to be held—are part of a larger integrated guerrilla structure.

Though in an interview conducted last week one of the more than 150 Cambodians released from the mountains indicated that the guerrillas had a retaliatory motivation vis-a-vis western aid, the train ambush was described as "business as usual" by one western military analyst.

The government echoes these sentiments with the assertion, voiced by top officials in past several weeks, that the Khmer Rouge policy is simply to "destabilize the Royal Government" in any manner.

It is clear, however, that high-ranking Khmer Rouge commanders are relaying orders concerning the hostages once they have been abducted.

The guerrillas in the mountain range have been there since the late 1980s and are commanded by Nu Pet, a Khmer Rouge commander, known locally as Ta Pet or "old man" or "grandfather" Pet. Nu Pet, according to Lt. General Nuon Vanna, a Royal Army investigator, communicates directly with Ta Mok, the one legged Khmer Rouge commander currently in the charge of much guerrilla military activity. Nuon Vanna puts the Phnum Voar guerrilla battalion 405 strength at 400 to 500 troops.

Western analysts, however, say this figure is highly exaggerated.

One UN human rights official said that government reports of the guerrilla's strength as being 400-500 men is either a mistake or a deliberate attempt by the military to spread misinformation.

Phnum Voar is said by the official to be inhabited by approximately 70 Khmer Rouge "combatants" operating under "set of instructions" from the upper echelon of the Khmer Rouge to "break up enemy lines of communication," and otherwise conduct "standard guerrilla activity."

A man known as Ta Bet, a former under secretary of the southwestern zone during the Khmer Rouge reign and currently a commander of operations in the Chhuk District, is Nu Pet's direct superior, western analyst agree.

As the Phnum Voar-based guerrillas regularly engage in banditry and small scale military activity, clearance for the July 26 train ambush would not in all likelihood come from higher Khmer Rouge channels. However, once western hostages entered the picture, the Phnum Voar combatants would "send messages and wait for instructions" from higher ranking guerrilla leaders, according to the UN official.

The Phnum Voar troops are said to possess electrical power sources and communication equipment that would enable them to stay in contact with the Khmer Rouge command. Nuon Vanna claimed the guerrillas on Phnum Voar traded up in the late 1980's from Chinese made radio transceivers to the more sophisticated Japanese made Kenwood 725 series radio transceiver, purchased through Thailand.

Meanwhile, a government press release said yesterday that medicine—"analgesic, anti-malaria and antibiotic medicine"—had been sent to Australian hostage David Wilson. No confirmation that the medicine had indeed reached the Melbourne native was available yesterday.

Nuon Vanna interviewed in his office three hours before the press released was issued, said that "the Royal Government can not give clothes and medicine to the Australian man."

Though messages are being carried by "civilians" from Kompong Trach and the neighboring Dang Tong and Chhuk districts—many of whom cut wood and "creeper vines" in Phnum Voar—the guerrilla's have "cut off any direct supply to the hostages," Nuon Vanna.

One of the 20 to 30 Kampot Province military and police officials working on the case disguised himself as a wood cutter and is responsible for obtaining the tapes and photographs the Ministry of Information released to the press Wednesday, according to the Lt. General.

Relationship With Thailand, SRV Viewed

BK0908083194 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 8 Aug 94

[Unattributed commentary: "The Cambodian People Want Nothing But Good Neighborliness"]

[Text] Both Thailand and Vietnam are friends sharing the same borders with us. Having thousands of kilometers in common borders and territorial waters, we simply cannot avoid being affected as a consequence as these neighboring countries implement their economic policies. However, respect for each other's interests, noninterference in another country's internal affairs, regard for a nation's right to self-determination for the sake of its internal security, and avoiding infringing on the interests of neighboring countries constitutes the only important principle that shows mutual trust.

In Cambodia today the Khmer Rouge, who are conducting their obnoxious activities along the Cambodian-Thai border, remain the source of bitter tragedies that have befallen the innocent Cambodian people almost on a daily basis. The Khmer Rouge, who are the root cause of bitterness in the history of Cambodia, can be wiped out thanks to our Royal Government of Cambodia's ability to conduct sweep operations against them and also to the sincerity of our neighbors. Our people feel most suspicious of some of their neighbors who have said they want Cambodia to have real peace, when not only have they remained indifferent to the predicament of the Cambodian people but have also tried to give the Khmer Rouge a say in the high-level decisions in Cambodia, something the Cambodian people do not want.

Nevertheless, while warmly welcoming the sincere sympathy accorded the Cambodian victims by such countries as the United States, France, Australia, Malaysia, and Indonesia, the Cambodian people continue to work resolutely for the preservation of the ties of good relations, peaceful coexistence, and good neighborliness between our country and its neighbors. The people want nothing from these neighbors more than their true sincerity.

Article 53, Chapter IV, of the Constitution of the Kingdom of Cambodia, clearly stipulates:

"The Kingdom of Cambodia adopts a policy of permanent neutrality and nonalignment. The Kingdom of Cambodia follows a policy of peaceful coexistence with its neighbors and with all other countries throughout the world.

"The Kingdom of Cambodia shall not invade any country, nor interfere in any other country's internal affairs, directly or indirectly and under whatever form, and shall solve all problems peacefully with due respect for mutual interests."

Railway Transport Disrupted by Floods, KR

BK0908115494 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 8-9 Aug 94 pp 1, 11

[Summary] "Transport activities on both railway lines—the Phnom Penh-Sihanoukville line and the Phnom Penh-Battambang line—have been temporarily suspended since 2 August because a number of bridges and sections of railway track have been damaged by floods or by the activities of the Khmer Rouge [KR] rebels."

According to a Cambodian Railway Company official, a train bound for Sihanoukville on 2 August was forced to cancel its journey at kilometer marker 57 because about 5 meters of railway track had been damaged by floods. Another report by rail specialists says that floods are threatening the railway line from Prateah Lang to kilometer markers 22, 26, 64, and 66; sections of the railway track and six bridges have been damaged.

Reports from Kampot Province say that 50 meters of railway track between Komgpong Trach and Damnak Chang-aeu—between kilometer markers 138 and 147—were damaged on the night of 1 August by the Khmer Rouge. The railway track between Phnum Troung Andaeuk and Phnum Anlung Traneh has also been damaged by the Khmer Rouge, who took away one section of railway track at kilometer marker 134 on the night of 3 August. An official who requested anonymity disclosed that a train leaving Battambang for Phnom Penh on 2 August was forced to return because the Khmer Rouge had used mines to damage the railway bridge at kilometer marker 237 between Kouk Trom Station and Phnum Thippadei.

Apart from Khmer Rouge activities, the railways are also being threatened by floods. Railway bridges between kilometer markers 259 and 261 in Battambang Province have been seriously damaged by flood waters. Furthermore, the track between Reang Kesei and Phnum Thippadei is completely underwater and cannot be inspected. The Battambang-Sisophon section of the railway line, however, has not been affected by floods.

Cambodian Railway Company Director Pich Kimsreang called a staff meeting on 6 August to discuss the necessary repairs once the floods have receded. He appealed for cooperation from the National Defense Ministry—particularly the Khmer Royal Armed Forces stationed in the provinces through which the railway lines run—to ensure that repair work is carried out quickly and securely.

Foreign Ministry Assesses World Support

BK1008065194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 9 Aug 94

["Communique" of the Foreign Ministry of the Provisional Government of National Union and National Salvation issued on 9 August; place not given—read by announcer]

[Text] I. For more than 15 years Vietnam's war of aggression and genocide against Cambodia has continued to smolder and burn, wreaking extensive havoc on our entire nation and people.

After the Paris accord was signed, the alliance of villains and UNTAC [United Nations Transitional Authority in Cambodia] colluded with communist Vietnam and its puppets to trample the Paris accord and oppose national reconciliation and peace, which were the profound aspirations of the king and our Cambodian nation and people as a whole. At the same time, they continue to ignite communist Vietnam's war of aggression in Cambodia. Their objective is to do away with the Cambodian nation and people and the Party of Democratic Kampuchea. This is because they oppose an independent, peaceful, unified, and neutral Cambodia within its own territorial integrity. As for communist Vietnam, it is implementing a strategy of incorporating Cambodia into its Indochinese federation and exterminating the Cambodian race in the same way it did to present-day Kampuchea Kraom. In the meantime, the alliance of villains has wormed its way into Cambodia through communist Vietnam and the two-headed government, amassing interest at the expense of the Cambodian people.

For more than 15 years our people have risen up and waged a tenacious, highly heroic struggle to defend and preserve the Cambodian nation and race and to solve the issue of four million ethnic Vietnamese who have immigrated and continue immigrating into Cambodia without any letup.

The Cambodian nation and people are currently joining the Provisional Government of National Union and National Salvation [PGNUNS] to wage all forms of struggle, causing communist Vietnam, the alliance of villains, and the two-headed government to bog down deeply in all sectors and fields in Cambodia, thus attracting world attention and leading it to closely follow developments in Cambodia.

II. On the international stage, the struggle of our nation and people encompasses a profound significance. Although our people are waging a struggle to save their nation and preserve their race, this struggle has also contributed to the defense of international law, the UN Charter, and regional peace and stability. It is for this reason that peace- and justice-loving countries the world over were giving our nation and people's struggle powerful support at the United Nations from 1979 until the Paris accords were signed in October 1991. Now, since 1990 when the world entered a new international era following the collapse of the Soviet Union and the Warsaw Pact, in which light has our nation and people's struggle been seen by the world? In this new international situation, what comes easy and what does not come easy for our nation and people's struggle? How favorable has this new international situation been to our nation and people's struggle?

Basing its observation on successive concrete events, PGNUNS understands that although outwardly the United States and other villains in the Western alliance appear to be the exclusive world superpowers, in reality they are not and they cannot make rain and thunder whenever they please. Thereby, they are not unhampered in their attempt to implement the obnoxious policy of collusion with aggressor communist Vietnam to slaughter our Cambodian nation and people at will.

A. Peace- and justice-loving countries and peoples around the world, especially regional countries and peoples, want peace and national reconciliation in Cambodia. They do not want a divided Cambodia or the flames of war to continue here. For this reason, they have all along opposed communist Vietnam's invasion of Cambodia and are opposing the current effort by communist Vietnam, the alliance of villains, and the two-headed government to continue igniting the flames of war. They oppose the alliance of villains sending military personnel and arms to Cambodia. They clearly see that the coup staged by communist Vietnam and its puppets at the beginning of July was a coup to overthrow the king and suppress innocent Cambodians who want peace and national reconciliation and oppose communist Vietnam. They also clearly see that the two-headed government is nothing but an empty shell and a fascist, right-hand instrument of communist Vietnam and the Western alliance of villains.

As a matter of fact, peace- and justice-loving countries in the region have been waging a joint struggle to oppose all designs of the Western alliance of villains who are pressuring others into joining communist Vietnam's aggressive war in Cambodia. This clearly shows that the Cambodian nation and people are not alone in opposing them. Peace- and justice-loving countries in the region also oppose them because, sentimentally, they side with the Cambodian nation and people.

B. Within the countries of the alliance of villains, their people also oppose the villains' policy of interfering in Cambodia's internal affairs and continuously fanning the flames of war in Cambodia. The people of these countries want the Western alliance of villains to concentrate all their mental and physical resources on solving their own national and social problems and to properly deal with their own living conditions. They do not want to see the alliance waste hundreds of millions or even billions of dollars of their own national resources on Cambodia, that is, on continuing the war against the Cambodian nation and people.

This proves that on the international stage there is a force of peace- and justice-loving peoples opposed to the adventurous policy of the U.S., French, and Australian Administrations in Cambodia.

C. It is true that the conflict between the United States and the other villains in the alliance and the former Soviet Union is already part of history. But a new conflict has emerged which is very complex and inextricable for the United States and the other villains in the Western alliance. On the one hand, Russia and other former members of the Soviet Union, as well as East European countries, remain a serious and knotty problem that the United States and the other villains in the Western alliance have not yet been able to solve. On the contrary, the United States and the other villains are deeply worried about the situation in which Russia and other former members of the Soviet Union and East European countries are falling into the abyss of anarchy to become a major source of what the United States calls worldwide terrorism which also affects Western Europe and North America. There are many examples highlighting that the United States has not yet solved the Russian dilemma. Here are just three of them:

First: In northern Russia, the three Baltic countries of Latvia, Lithuania, and Estonia remain a conflict on the verge of eruption. It is a serious conflict caused by economic problems and the presence of Russian troops in these countries. The three Baltic countries are struggling with this problem and it affects their national independence and sovereignty.

Second: In southern Russia, countries which are former Islamic members of the Soviet Union are breaking away from Russia and seeking support from other Islamic nations to their south, such as Iran and Iraq, against Russia. This conflict is deepening and becoming more inflammable. It reflects the trouble in the region and it directly affects Russia.

Third: The Caucasian region of the former Soviet Union, including Georgia, Armenia, and the Black Sea, can also be compared to a painful, reddening abscess about to burst.

Besides, there are other areas of the globe, such as Bosnia-Herzegovina, Haiti, Somalia, other African countries, and the Middle East which are conflicts that have erupted throughout the world. Like balls of fire, they are conflicts that the Western superpowers cannot restrain, nor can they catch up with or settle. In the face of these conflicts, they are at a complete loss and find themselves deadlocked in a total impasse. Generally speaking, it is true that the bloc-like ideological conflict is basically terminated, but now there are ethnic conflicts; territorial conflicts; religious conflicts; conflicts concerning national character and national identity; economic conflicts; conflict from competition on international markets; and trade, financial, and cultural conflicts. These conflicts can be compared to sparks flying thick all over the globe. Every conflict in the world forms a battlefield which ties up the Western alliance of villains. The conflicts are like an Army of countless black ants running over and tearing from all sides at a centipede, pinning it down to the ground, rendering it helpless.

Let us look back at what is happening in Cambodia. As our nation and people know, the United States and the rest of the Western alliance of villains are joining aggressor communist Vietnam in fanning the war and escalating it into a slaughter of our nation and people. They have created a very seething and profound conflict with our nation and people in all social strata who oppose aggressor communist Vietnam and the alliance. If they stubbornly continue to carry on their obnoxious policy of continuing to ignite this war, our nation and people will further intensify the conflict against them and will more resolutely and vigorously oppose them. They no longer can fool or cheat the Cambodians.

Currently, the two-headed government is extremely isolated. Its fascist regime stinks to the four corners of the world and it is collapsing and disintegrating politically, economically, financially, and militarily. In the military arena, it has no soldiers with which to fight. It has failed in its campaign to conscript soldiers and militiamen because the people have resolutely avoided being drafted. Therefore, it is not easy for the alliance of villains—the United States, France, and Australia included—to succeed in its adventurous policy solely by joining communist Vietnam and providing the two headed-government with arms and money to continue igniting the war.

III. In this situation, the struggle of our nation, people, and PGNUNS is not a solitary one that has no connection with the rest of the world. On the contrary, the struggle of our nation, people, and PGNUNS is part of a network of struggles waged by countries and peoples the world over for peace, national independence, and the right to self-determination. The cause of our nation, people, and PGNUNS is a correct one. It aims to end the aggressive war of communist Vietnam for the purpose of peace and national reconciliation. It also supports a genuine national government composed of national forces of all political tendencies. For this reason, our struggle is principally and fundamentally based on the forces of our nation and people. At the same time, the struggle of our nation and people also enjoys massive political support and the sympathy of peace- and justice-loving countries and peoples throughout the world, especially regional countries and peoples.

In the past, we stood principally and fundamentally on the forces of our nation and people and we enjoyed the support of peace- and justice-loving peoples and countries of the world. As a result, we won one victory after another in our struggle.

Now and in the future, we will continue our struggle by principally and fundamentally basing ourselves on the forces of our nation and people. At the same time, our nation and people also hold the firm belief that the peace- and justice-loving peoples and countries of the world will continue to support our cause. Our nation and people have all the qualities to fully carry on the struggle. The villainous Western superpowers cannot produce rain and thunder at will. We firmly believe that we will undoubtedly achieve national reconciliation; will surely be able to defend and preserve our nation, people, and race; and will succeed in solving the problem of having four million ethnic Vietnamese and that our most beloved Cambodia will surely restore its peace, independence, unity, and territorial integrity. This is a fact now and will remain a fact in the future.

[Dated] 9 August 1994
[Signed] The Foreign Ministry of the PGNUNS

* Sam Rangsi Views Khmer Rouge in Government

94SE0134D Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 8 May 94 p 12

[Text]...Mr. Sam Rangsi has noted the lack of skilled personnel which means that the government must rely on workers who served the Maoist Khmer Rouge who were in power from 1975 to 1978.

Mr. Sam Rangsi said that, "this group is still terrorized. Under the communist regime, they lost all their assertiveness. They don't want to do anything except please their bosses. We need people who have the courage to speak their minds, without them we will not make any progress."

The minister, who has been in office for 10 months, said that, "during the next two or three years we need more foreign funds and many more foreign specialists to bring Cambodia back to normality and to train finance officers in Cambodia."

Mr. Sam Rangsi did not provide the amount of aid which will be needed, but he emphasized that, "the providing of aid will be a slow process because we lack finance officers to organize all this aid." ...

Indonesia

Editorial Urges ABRI Not To 'Meddle'

BK0708161494 Jakarta KOMPAS in Indonesian 22 Jul 94 p 4

[Editorial: "What Does It Mean: The ABRI Should Not Meddle With The Duties of Other Agencies"]

[Text] The ABRI [Indonesian Armed Forces], as a stabilizing force, should not meddle with other agencies. The statement attracted maximum and spontaneous attention when opinions were conducted. The statement was issued by President Suharto when he received the participants of the ABRI leadership meeting at Istana Negara [State Palace].

The head of state's objective was clear in the statement he issued: "It is hoped that the ABRI, as a stabilizing force, will constantly be able to create a situation which will enable the government administration to function well at central and district levels".

The opinion can be formulated by taking into consideration the decision which originally came from Ki Hajar Dewantoro concerning the ABRI's dual role—as a vanguard and providing guidance in the background.

After 25 years of implementing national development in numerous fields, in social and other related organizations, the government and its agencies have become more efficient in carrying out their functions, duties, and responsibilities.

Let us also assume the ABRI's aims to provide guidance in the background. Active through its gradual expansion and development of society, organizations, and the government administration at central and district levels until they function well.

In other words, the ABRI supplies advice and initiatives. Its dual role is evidence that it has been successful in playing such a role, which has simultaneously brought about success in national development.

Can all this be simply ignored? No. Not even by the demands or reality. The ABRI will not simply give up.

First, the ABRI will be required to create a climate conducive for the government to function well at the central and district levels. Second, as stressed by the president: "its mission as a stabilizing force should be perpetually oriented toward detecting the root of any turbulence or disturbances which have happened or may happen, to make precise prognoses on situational developments, and to coordinate with the other agencies."

In connection with the joint ABRI efforts with other agencies, the head of state added: "Unity is important in maintaining national stability because the other government agencies will also bear the responsibility for any instability which may develop."

The ABRI should not be negatively considered as a fireman who only extinguishes fires. Such a witty remark has frequently been heard.

Can the causes for turbulence and disturbances, which have happened and may happen, be anticipated and prevented? Can national unity, which is based on nationalism and the country's vigilance based on the 1945 Constitution, sway or be swayed by internal or external factors?

The desire to seek personal glory through group politics, organizations, and other exclusive interests is becoming more distinct, while national and people's interests are neglected. As a result, disunity, injustice, and restlessness will prevail among the people.

The Development Trilogy should be carried out in a continuous and smooth manner so that people can achieve progress and an equal distribution of wealth which can provide them with more comfort.

We are facing a multifaceted situation. On the one hand, the picture shows that we are progressive. Progress has been achieved through the development of economic infrastructure, administration, and the management of the economy. Progress has been formally and constitutionally achieved because we have accepted Pancasila [state ideology] as our base for unity and sovereignty. Progress has also been achieved as a result of the existence and our upholding of the 1945 Constitution.

On the other hand, there is also the concurrent need to be cautious and critical over any situation which may arise. This is because we are living in a world which is constantly undergoing rapid change and evolving within an intensive situation.

The question of succession alone will give rise to numerous sensitive issues. The internal situation is expected to become more complex and sensitive due to such an issue. The spirit of togetherness will no longer exist within the political situation and restlessness will definitely develop.

One of the relevant signs for Indonesia and its people will be how a peaceful country and its people could disintegrate, how or the normal disintegration of a country can only be possible through conflict and acts of aggression.

Among other things, there is an urgent need for more openness, due to changes and developments within and outside the country. The process in promoting greater openness will definitely be sensitive for a multiracial county such as Indonesia. We should, however, at least try to achieve such a goal and meet the demand through either an accepted form of objective or subjective format.

It is true that there is a need for all government administrative agencies to function well at the central and district levels. Several conditions have to be accomplished before these agencies can truly function well.

Therefore, all these administrative agencies must strictly adhere to principles toward becoming the protector and defender of the people by carrying out their duties in a lawful, just, and responsible manner. Such a principle is not contradictory because administrators will be burdened with the responsibility of providing protection for the weak and in undertaking measures to satisfy the people's needs for a better life.

There is also the need by government agencies to further elevate their services and protection so that a clean and trustworthy government can be established through their efficient service.

It was presumed that it was unfair to let the central agencies alone undertake the task of developing the economy. It would be more helpful if the central and district level agencies, including the people through their respective representatives, were collectively involved in such a task.

The other organizations, such as the sociopolitical organizations and associations, should also be encouraged to expand and become more progressive.

There is an urgent need to further develop and enlarge the Pancasila democracy and numerous other essential bases such as human rights, freedom, mutual responsibilities, unity, the spirit of togetherness, and other mass organizations. Just like for the economic sector, people, their organizations and associations should also be the supporters and mechanisms to ensure and enable their various activities to develop well.

In this regard, we view the ABRI role as still crucial at a time when the country is going through a sensitive and challenging era. The head of state reminded the ABRI to carefully analyze its role, function, and position in accordance with developments.

Ulema Chairman Spurns Dialogue With al-Arqam

BK0908154894 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 9 Aug 94

[Text] Hasan Basri, chairman of the Indonesian Ulema Council or MUI, has rejected the al-Arqam movement's request for a dialogue because the group has already created social unrest.

Speaking to reporters at the Istiqlal Mosque in Jakarta today, Hasan Basri stressed that the government should ban the movement because it has already created unrest among the people, particularly among the Muslim community. The al-Arqam movement had requested a dialogue with the government and the Indonesian Ulema Council in an effort to clarify its teachings.

Minister Stresses Cairo ICPD Meeting

BK1008103194 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 10 Aug 94

[Text] Haryono Suyono, minister of state for population and head of the National Family Planning Board, stressed the importance of an international conference on population and development [ICPD], which is scheduled for next month in Cairo, for the global population program, especially for developing countries. Speaking at a preparatory meeting this morning in Jakarta for Indonesian delegates to the Cairo conference, Haryono Suyono said the population program in Indonesia in the last 20 years has shown tremendous success. This fact has not escaped the attention of the international community, including developed countries, which believe that the population issue is closely related to the national development and economic stability of each country.

In view of the coming debates at the Cairo conference scheduled for 5-12 September, Haryono Suyono briefed all members of the Indonesian delegation from both government and private sectors. He stressed the need to adopt a united stand because Indonesia's successful population program will be one of the major topics discussed at the conference.

Navy, Australia Begin Exercise in Timor Sea

BK0908125094 Jakarta ANTARA in English 1544 GMT 8 Aug 94

[Text] Surabaya, Aug 8 (ANTARA)—Two Indonesian and another two Australian naval vessels have started a joint combat exercise in the Timor Sea. A naval spokesman in Surabaya disclosed Monday that the Indonesian warships were KRI [Republic of Indonesia Ship] Tongkol and KRI Ajak, while their Australian partners were HMAS [Her Majesty Australian Ship] Bunbury and HMAS Geelong.

The exercise, code-named Ausiana Patrolex 94 (Casuaex-94), was a continuation of a similar exercise held in Darwin on August 4. The main purpose of the joint exercise, according to the naval spokesman, was to increase the combat capabilities of the two navies and for closer friendship and cooperation between the two nations.

Also taking part in the joint naval exercise were the naval aircraft of both sides for mainly reconnaissance operations. The Indonesian Navy operated its Nomad N-22 and the Australian Navy used their Orion P-3 aircraft.

Each time the Indonesian aircraft spotted a strange vessel, it immediately reported the sighting to KRI Ajak, which would take swift action against the unidentified ship.

Another action would be reporting the sighting to the naval base in Kupang, which would immediately send warships to intercept the strange vessel.

The warship engaged in the joint exercise left the Australian naval base in Darwin on August 7, and the exercise will last till August 10.

The exercise will include firing into the air, ship repair on the sea, firing at a target, joint patrol and search-and-rescue operations.

Laos

Delegation Departs To Attend Fair in PRC

BK0508120394 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Aug 94

[Text] Phao Bounnaphon, minister and head of the Prime Minister's Office, and delegation left Vientiane for an official visit to the PRC on the afternoon of 4 August. The delegation is scheduled to stay in the PRC until 11 August. The main purpose of the visit is to attend the annual trade fair in Kunming, Yunnan Province.

During the visit, our Lao delegation will also hold consultative meetings with PRC sectors concerned on the Lao-Chinese trading, in particular the trading in Kunming. It will discuss with the Chinese side on means to further expand the bilateral trade relations.

Phao Bounnaphon and his delegation were seen off at the airport by Bouason Boupphavan, deputy minister and deputy head of the Prime Minister's Office, along with a number of cadres concerned. Li Jiazhong, ambassador of the PRC to Laos, was also on hand to see the delegation off at the airport.

President Designates New Envoy to Burma

BK0608110994 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Aug 94

[Text] At the Hokham Presidential Palace in Vientiane on the morning of 5 August, Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], presented a letter of credentials to Li Bounkham as newly designated ambassador extraordinary and plenipotentiary of the LPDR to the Union of Myanmar [Burma]. On this occasion President Nouhak Phoumsavan gave instructions to Li Bounkham to do his best in performing his diplomatic duty in order to further promote and expand the long-standing friendly relations and cooperation between Laos and Myanmar, in particular to expand on the considerable success of the recent official friendship visit to the LPDR by the top-level leader of Myanmar. This will enable Myanmar, a friendly country, to be confident in the present, consistent foreign policy of the Lao Government, he added. The president also conveyed, through Li Bounkham, to the government and friendly people of Myanmar his greetings and best wishes for their glorious success in defending and building their country.

SRV Ideological Delegation Visits Sayaboury

BK0708124994 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Aug 94

[Text] On 3 August, the delegation of the Ideological and Cultural Organization of the Communist Party of Vietnam Central Committee [CPV CC], headed by (Pham Van So), head of the cadre organizing and training department of the Ideological and Cultural Organization of the CPV CC, ended a two-day working visit to Sayaboury Province.

The visit was the first by the delegation to the province. The delegation met and worked with Bounheuang Douangphachan, member of the Lao People's Revolutionary Party Central Committee and secretary of the provincial committee of Sayaboury Province. The delegation also met and held talks with chiefs of various districts and visited production establishments in

Phiang and Sayaboury Districts. Everywhere the visitors visited, they were warmly welcomed by the local administrations and residents. During the visit, the two sides exchanged views on leadership work in the ideological and political training spheres and other issues. At the same time, the Vietnamese visitors also discussed various other issues with more than 40 key district and provincial cadres.

Philippines

Military Assesses Current Situation of Abu Sayyaf

Still Threatens Peace in Mindanao

BK1008082694 Quezon City Radio Filipinas in English 0230 GMT 10 Aug 94

[Text] The Abu Sayyaf terrorist group—although substantially marginalized with the death of its leader—still poses a threat to Mindanao's peace and stability. This was the assessment given to President Ramos yesterday by military experts who recommended continued pursuit operations against remnants of the terrorist group and neutralize them up to the last man.

Defense Secretary Renato de Villa told a briefing in Malacanang [presidential office] that the Abu Sayyaf is now greatly fragmented, and has splintered into groups of five and 10 members each. These splintered groups still poses a threat, he warned.

The Abu Sayyaf lost its southern commander in Basilan, Barahama Sali, in an encounter with Marines last Thursday. Sali sustained wounds and expired hours before his men decided to release Nacorda [hostage Catholic priest] and break up into smaller groups.

This developed as de Villa said, the Defense Department is considering an investigation of intelligence reports of alleged connivance between the Abu Sayyaf and some sectors of the Moro National Liberation Front [MNLF]. The impending probe follows the release by the Abu Sayyaf of Father Cirilo Nacorda at 2:30 in the morning last Monday after 65 days in captivity.

De Villa said no ransom was paid for Nacorda's freedom. But there have been persistent reports of alleged interference by some MNLF members in negotiations for the release of Nacorda which bothers the government, according to de Villa.

He cited the need to refer the investigation to either the joint cease-fire committee or the peace panels headed by Ambassador Manuel Yan on the part of the government and Chairman Nur Misuari for the MNLF. But right now, de Villa admitted, the Defense Department has no evidence to link the MNLF to the activities of the Abu Sayyaf, particularly kidnap-for-ransom.

For his part, Representative Eduardo Ermita, a member of the government negotiating panel, denied reports that the MNLF has repeatedly condemned the illegal activities of the Abu Sayyaf.

Claims Group 'Completely Annihilated'

BK1008102294 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 10 Aug 94

[Text] Lieutenant General Orlando Soriano, Armed Forces of the Philippines Southern Command chief, today revealed that the military has completely annihilated the terrorist Abu Sayyaf group. Soriano made his assessment based on the killing of the group's head, Barahama Sali, and two of its commanders last Sunday.

According to Soriano, the only remaining leader of the Abu Sayyaf group is Janjalani, who is reportedly hiding in Sulu. In this connection, Soriano believes that no more kidnappings will take place in Basilan.

[Begin Soriano recording in English] It's not the end of it, I'm referring to our operations. I would rather say, this is just the beginning of another two-time operation as we have to account for all of the members of the Abu Sayyaf group, notwithstanding that their leader here in Basilan, Barahama Sali, was already dead and several of his companions, and also the surrender of some top leaders.

But we still have to continue the operation so as these lawless elements here in Basilan will be out and be accounted for, and we can provide Basilan an atmosphere of peace and at the same time we can start with our development projects. [end recording]

Thailand

Cambodian Soldiers Arrested for Smuggling Arms

Two SAM-7 Rockets Seized

BK1008080194 Bangkok BANGKOK POST in English 10 Aug 94 p 3

[Text] Aranyaprathet—Six Cambodian soldiers arrested with a large quantity of arms were handed over to police yesterday and charged with illegal entry into Thailand and the possession of war weapons.

The charges were made after the armed forces ended its investigation into the six described by Burapha Task Force Commander Niphon Pharunnit as village militia.

The soldiers were caught last Wednesday near the border here with a large number of weapons including two SAM-7 rocket launchers and rounds and hundreds of other rounds of ammunition.

Thailand, which rejected a request from the Cambodian armed forces to join the investigation, insisted yesterday it would not return the arms to Cambodia.

Deputy Defence Minister Sombat Rotphothong said Thailand would keep the weapons.

Maj-Gen Niphon said the armed forces would take care of the weapons after they were smuggled into the country. Weapons will only be returned to Cambodia if the country is at war and soldiers are disarmed after fleeing fighting into Thailand.

The arrested soldiers will be prosecuted according to Thai law because the seizure took place in Thailand. He said the weapons will only be returned if the Cambodian Government makes a request to the Thai Government.

Maj-Gen Niphon said the Cambodian soldiers, identified as Me Son, Sang Teah, Kaew Mitr, Mom Ted, Noew Duen and Heng Loan, had been placed under the supervision of Ta Phraya police.

The officer quoted the six as confessing they were paid about 300 baht to supervise 100 Cambodian villagers smuggling the weapons from Sisophon to the border where they were to hand them over to Thai traders.

Five Cambodian soldiers from the 7th Division acted as guards for the convoy, he said.

Maj-Gen Niphon said the arrested soldiers might belong to a well-connected arms gang in Cambodia because SAM-7s are used by only a few units of the Cambodian forces.

The Cambodian Army suspects the weapons were stolen from an arms depot in Phnom Penh because none of the units stationed in the West is equipped with surface-to-air missiles.

Maj-Gen Sombat said illegal weapons were widespread along the border and it was difficult to stop the trade without both sides cooperating to resolve the problem.

He said Thailand was serious about getting rid of arms smuggled into the country.

Weapons Destined for Burmese Rebels

BK0908152894 Hong Kong AFP in English 1307 GMT 9 Aug 94

[Text] Sakaeo, Thailand, Aug 9 (AFP)—Six Cambodians arrested last week for smuggling arms have said they were part of a weapons racket supervised by Cambodian government soldiers, a Thai border official said Tuesday.

The men said they were ordered by soldiers in Phnom Penh's Division Seven to guard a consignment of weapons that was being transported for a "government operation," according to Major General Niphon Pharanyanit.

Niphon, who commands the Thai Burapha Task Force that captured the men and their consignment last Wednesday, said one of the suspects spoke fluent Thai.

The man, who identified himself as Mee Son, 34, said soldiers had supervised 100 porters in moving the weapons across the border to a drop-off site one kilometer (half a mile) inside Thailand.

Mee Son told investigators that at least five government soldiers were involved in the operation, according to Niphon.

Thai border units found the six Cambodians last Wednesday with a load of weapons which reportedly included two SAM-7 missile launchers and two missiles, several hundred 82mm mortar rounds, 36 AK-47 assault rifles, 500 M-16 magazines and seven rocket-propelled grenades.

Mee Son told his captors he had not known he was breaking any law because the weapons belong to the government, and government troops sent him on the mission.

Mee Son said he and the other men were attached to a volunteer militia unit along the Thai-Cambodian border, in Yangdaeng Apiwat, where the weapons had been taken by cart from Sisophon, Niphon reported.

The weapons were then carried across the border by porters who were paid 200 to 300 baht (eight to 12 dollars) each for the job, Niphon said. Mee Son and the others were reportedly paid extra to guard the weapons at a drop-off point.

Thai investigators believe the arms were ultimately destined for an unspecified ethnic Burmese resistance group fighting the Rangoon Government, a police source told AFP.

Division Seven, based in Cambodia's northwestern border province of Banteay Meanchey, is made up of former troops of the KPNLF [Khmer People's National Liberation Front], a rebel faction prior to the 1993 elections.

Monday, the Phnom Penh government renewed its appeal to join the Thai investigation and to question the men.

But Niphon said the weapons and the prisoners were now Thai matters.

Niphon said the men would be prosecuted for illegal entry and possession of military weapons. The men were handed over to police in Tha Phraya district, where they were caught, he said.

Envoy Invited for Talks on Failed Cambodian Coup

BK0908090394 Bangkok THE NATION in English 9 Aug 94 p A8

[Text] Cambodia is inviting the Thai Government to send a special envoy to Phnom Penh to exchange information relevant to the investigation of 14 Thais suspected of involvement in last month's attempted coup, according to a high-ranking Cambodian source.

The invitation was expected to reach the Thai Foreign Ministry today, the source said in Bangkok.

If accepted, the envoy would carry to Cambodia whatever information was considered pertinent to the inquiry.

"He will bring back relevant information from the Cambodian side to the Thai government as a part of bilateral cooperation in settling the issue through dialogue," said the source.

The 36-day detention of the 14 Thais in Phnom Penh, without charges being laid, has affected relations between the two governments. Bangkok has demanded the immediate release of all those deemed innocent.

The Foreign Ministry last week summoned Cambodian Ambassador Roland Eng and handed him a protest note demanding Phnom Penh speed up the investigation and observe international laws on human rights.

A rapid investigation following close cooperation would help strengthen the shaky ties between the two countries said the source, who added that the issue should not jeopardize relations between neighbouring countries like Thailand and Cambodia.

Thais have demanded transparency in the investigation, with MPs and officials claiming the 14 detainees had no involvement in the failed coup.

The government has suggested that a Thai legal adviser be allowed to take part in the inquiry, which has so far been a purely Cambodian affair.

The special envoy is expected to be allowed to visit the Thai suspects, who have been split into two groups and detained in two hotels.

Cambodia authorities have allowed three visits by the Thai ambassador and one by the visiting chairman of the House committee on foreign affairs.

Cambodian Co-Premier Prince Norodom Ranariddh said last week there is "no doubt at all" that many of the Thais were involved in the coup bid.

Cambodia's Chakkrapong May Visit; Chuan Comments

BK0508144294 Bangkok Radio Thailand Network in Thai 1200 GMT 5 Aug 94

[Text] Speaking to reporters in his home Province of Trang this evening about a report that Prince Chakkrapong, who was involved in a recent coup in Cambodia, has requested permission to come to Thailand, Prime Minister Chuan Likphai said he had heard the report a few days ago. The report indicated that Prince Chakkrapong would make a stopover in Thailand on his way to Paris, France. Chuan said the report has not been confirmed.

Asked if Thailand is accused of giving shelter to Prince Chakkrapong, who staged a coup in Cambodia, the prime minister said there should be no problem because there have been no charges filed against Prince Chakkrapong, and therefore there is no need for him to seek permisssion to come here. He can come if he has a visa.

Asked about Cambodia's request that Police Lieutenant Colonel Adun Bunsoet be sent back for investigation, the prime minister said he knows nothing about that and would like to wait for confirmation.

Asked whether Thailand's help to Prince Chakkrapong would cause a problem, because the Cambodian Government has yet to free the 14 Thais detained in Cambodia, the prime minister said there should be no problem because Prince Chakkrapong is not seeking political asylum in Thailand. He said the 14 Thai nationals would face trial if charged, but they cannot be detained without charges. Thailand has the right to take action. The current problem is that there have been no charges filed against the 14 men. He wants the process to be speeded up. Asked whether the Thai Government would set a deadline for Cambodia to free the Thai nationals, the prime minister said this depends on Cambodian law—as it is clearly stipulated in the law how many days a suspect may be detained. The prime minister said Thailand still does not know what the Cambodian law says regarding the right to detain suspects. However, if the detention goes beyond the apppropriate limit, we will check into the matter.

* Further Reports on Reactions to Cambodia Coup

* Adun Denies Knowing Chakkrapong

94SE0201A Bangkok DAILY NEWS in Thai 10 Jul 94 p 17

[Excerpts] [Passage omitted] At 1200 hours on 9 Jul at the Town Inn Town Hotel in Bangkok, Police Lieutenant Colonel Adun Bunyaset, a former New Aspiration Party MP, who is accused of being one of 14 Thais to cooperate with Prince Norodom Chakkrapong in staging a coup against the Cambodian government, made a statement denying that accusation. [passage omitted]

The former MP from Phichit Province said that on 1-2 Jul, the situation was normal. But the Cambodian government tried to create an incident by using tanks in order to stir up trouble. He said that he does not know Prince Norodom Chakkrapong. From what he knows, it was the Cambodian officials who created this incident in an attempt to deceive the Cambodian people and the world. On 11 Jul, he will explain things to Squadron Leader Prasong Sunsiri, the minister of foreign affairs, and discuss the matter with his lawyer in order to see if he can sue the Cambodian government.

As for the fact that the Cambodian government wants him to surrender to officials in Cambodia, Police Lt. Col. Adun said that he definitely won't return to Cambodia if the situation in Cambodia remains as bad as this. But he said that he would be happy to answer questions in Thailand. He said that the accusations are groundless.

He detests coups and so why would he participate in one? This is just a matter of people making accusations. As a former police officer, he said that he can assure people that Thailand has never been involved with the Khmer Rouge. If the Cambodian government uses this point to attack the Thai army and Thailand, he would like a little time to determine the real reason.

Mr. Chuan Likphai, the prime minister, talked about the fact that the Cambodian government has requested that Police Lt. Col. Adun be sent to Cambodia for questioning. He said that this is a misunderstanding on the part of the Cambodian government, because it thinks that Police Lt. Col. is a police officer. But actually, Police Lt. Col. Adun left government service a long time ago, and he served as an MP for only one term. Thailand's administration is more mature. Cambodia needs to be careful about establishing relationships. As for those charges, it must be admitted that the purpose of this was to remove the burden from the Cambodian government, and the most convenient victim was Thailand because we border Cambodia. This has created problems. But this is a personal matter rather than a government matter. [passage omitted]

"Unless ASAHI corrects the news report, we will have to take action. We cannot let that go unless they print a retraction. But we probably won't sue them," said Mr. Chuan.

That same evening at the 2d Cavalry Division, Air Chief Marshal Woranat Aphichari, the supreme commander, talked with reporters about the fact that the Cambodian government has accused the Thai military of being involved in the attempted coup against the Cambodian government. He said that we are well aware of the fact that whenever a problem arises, they like to smear us. He said that the Cambodian government should investigate things before it makes accusations. However, the fact that Thais happened to be there at that time gave them a chance to criticize us.

In his capacity as military spokesman, Lieutenant General Anuson Krutsanaserani, the director of the Information Office, Supreme Command, talked about the charge that the Thai military was involved in the coup and attempted assassination of the Cambodian prime minister. He said that Air Chief Marshal Woranat Aphichari, the supreme commander, is very interested in this matter, and he asked senior military officers to come discuss this and look at the data. No one in the Thai military, including the army, navy, and air force, was involved in this.

Lt. Gen. Anuson said that senior military officers have analyzed this and think that things are rotten inside Cambodia. Thus, they had to find a country to blame and serve as a scapegoat. Thailand shares a border with Cambodia, and so they accused us. Some important people in Cambodia put the blame on Thailand in order to help suppress the Khmer Rouge. And they made those accusations in an attempt to obtain support in the form of weapons. [passage omitted]

* Columnist: Elected Government Causing Problems

94SE0201B Bangkok DAILY NEWS in Thai 9 Jul 94 p 2

[Column by Trairat Sunthonpraphat]

There have been reports that Thais have been detained in Cambodia because of their possible involvement in the recent coup in that country. Reading this upset me greatly. This shows that Thais are still involved with them. Whenever something happens in neighboring countries, Thais often become involved. I hope that the stories that Thais were involved in the attempted coup in Cambodia are not true. If they are, neighboring countries will distrust us even more.

Recently, neighboring countries have leveled serious charges against us. The Cambodian government, for example, has charged that the Thai government and the Thai military are supporting the Khmer Rouge. And most recently, a group of Thais may have been involved in the attempted coup in Cambodia. [passage omitted]

Returning to Cambodia, it seems to me that Thais are economic animals, which is how we once viewed the Japanese and South Koreans. Many Thais have invested in Cambodia, and their main concern is how to protect their interests. The government of Prince Ranariddh has created many problems for Thai investors. Those people who have suffered losses may have cooperated with certain Cambodian factions in an effort to overthrow the government of Prince Ranariddh. Such things have occurred before. Even in Thailand, foreigners have interfered here and supported coups many times. Everyone is familiar with the fact that the American government and CIA have supported coups in various countries.

Overthrowing an evil government that oppresses its people is fine. But overthrowing a government just because it refuses to follow the policy set by a superpower is wrong and will just lead to even worse problems, because a government unacceptable to the people will be established.

Unfortunately, the present Cambodian government, which is an elected government and to which the United Nations has provided almost 30 billion in aid, hasn't been able to achieve anything. And it has just caused problems by focusing exclusively on suppressing the Khmer Rouge, which, given the present situation, is impossible. Because it cannot suppress the Khmer Rouge, it should deal with the Khmer Rouge, divide the administrative zones, and focus on developing the economy.

If Cambodia can develop quickly, the other problems will solve themselves, because the Khmer Rouge are

Cambodians, too. Moreover, their policy is now much milder, and they are prepared to cooperate with the central government.

The important thing is that the Phnom Penh government should not make enemies of its neighbors. It should be patient. It should make concessions today so that it doesn't have to make concessions tomorrow and can administer things and attract as much money from abroad as possible. Then, no one would dare stage a coup, which has happened twice now.

* Chawalit Aide's Ties With Sin Song

94SE0183C Bangkok NAEO NA in Thai 8 Jul 94 p 3

[Excerpt] [Passage omitted] The person who has received the most attention from the Cambodian government is Police Lieutenant Colonel Adun Bunyaset, a former New Aspiration Party MP from Zone 2, Bangkok. He managed to flee to safety. He is now keeping quiet in order to trace what happened. He has said that he will make a statement in the next day or two.

The Cambodian government is upset with Police Lt. Col. Adun because just 2 days before the attempted coup, that is on 29 June, Police Lt. Col. Adun traveled to Cambodia and met with General Sin Song, the former foreign affairs minister in the Hun Sen government and one of the coup promoters.

Because Cambodian soldiers captured 14 Thais, Mr. Sakthip Krairuk, the Thai ambassador in Phnom Penh, had to fly back home immediately and meet with Squadron Leader Prasong Sunsiri. Thais and reporters were surprised by the fact that the Cambodian government had arrested these Thais, suspecting that they were involved in the coup. In its 4 July edition, the Japanese newspaper ASAHI SHIMBUN said that the Thai military had sent those 14 Thais to participate in the coup in Cambodia. General Wimon later denounced that accusation. But this matter has continued to expand. In particular, Thais wonder if those 14 Thais who were arrested actually were involved in the attempted coup.

As for Police Lt. Col. Adun, after he failed to win re-election to parliament, he immediately began carrying on business activities in Cambodia, including timber and various other activities. He became close to senior officials in the Hun Sen government and bought and sold almost everything in his path. Thus, it is no surprise that he is acquainted with Prince Norodom Chakkrapong, who is now "licking his wounds" in Malaysia.

Police Lt. Col. Adun knew who in Cambodia he had to "pay" if he wanted to do business there. That included not only Prince Chakkrapong, to whom he was close, but also General Sin Song, to whom he talked frequently. [passage omitted]

* Article Comments on Role of EAEC

94SE0183A Bangkok MATICHON in Thai 17 Jun 94 p 20

[Article by Chapa Chitprathum]

[Text] The East Asian Economic Caucus (EAEC) was the idea of Malaysian Prime Minister Dr. Mahathir Mohamad. He proposed establishing an economic group in East Asia in December 1990 in order to foster economic, trade, and investment cooperation among the ASEAN countries—Thailand, Malaysia, Indonesia, Singapore, Brunei, and the Philippines—and Japan, China (including Hong Kong and Taiwan), South Korea, and the three Indochina countries, that is, Laos, Cambodia, and Vietnam. EAEC may consider allowing other countries to join, too.

The purpose in establishing EAEC is to help member countries protect their interests and deal with the changing situation in the world economy, which is moving toward the formation of trade market groups, such as the European Union (EU) and the North American Free Trade Area (NAFTA). The formation of these two markets is an economic change that cannot be ignored. Besides this, there are the results of the GATT (General Agreement on Trade and Tariffs) talks, which are binding multi-party talks.

During the GATT talks, several of the problems that were discussed will put pressure on the developing countries, particularly Asian countries that have important agricultural products. At the GATT talks, it became evident that the member countries could not rely on GATT. The prime minister of Malaysia expressed the view that the small developing countries did not enjoy the same rights as other countries. These small countries had to participate in the talks with the super powers and sit by quietly. They did not have the right to express their views at the meeting. He also said that the developed countries carried on the talks in a bilateral manner and that they frequently formulated oppressive rules. Thus, the establishment of this group may encourage the developed countries to take a less aggressive posture in protecting their own interests and ignoring the interests of smaller countries.

However, in creating economic bargaining power in Asia, two large economic groups have already been established. One is the ASEAN Free Trade Area (AFTA), which was formed by the six members of ASEAN, and the other is APEC (Asia-Pacific Economic Cooperation), which is composed of 17 countries—Japan, China, Hong Kong, Taiwan, South Korea, the ASEAN countries, the United States, Canada, Australia, New Zealand, Papua New Guinea, and Chile (which will become a member in November 1994). Thus, APEC is not composed just of countries in the eastern hemisphere of the world. Malaysia feels that the countries in this region should have their own group, which will give them economic bargaining power and which will work on behalf of the countries in Asia.

Because of the necessity of this, the prime minister of Malaysia proposed establishing EAEC. Initially, several countries opposed this, saying that this would just overlap APEC. Because APEC was established first and has already held two meetings (the first was held in Australia in 1989 and the second was held in Singapore in 1990). Both of those meeting were held simply to pave the way toward political cooperation. Even though the meetings were successful, the results were not entirely in accord with the needs of the Asian countries. One of the reasons for this is that the developed countries that are economic superpowers have greater bargaining power. Thus, Malaysia did not feel that the APEC meetings would benefit the Asian countries as much as they should.

Thus, the Asian countries have to do something to gain enough power to bargain on their own behalf. EAEC was proposed in the hope that it could serve as Asia's representative and do a better job than APEC. It was hoped that this would promote the economic activities of the Asian group, with APEC providing support in terms of providing trade and investment data, developing human resources, and providing modern technology and scientific knowledge, which is one of the main goals of APEC.

After Malaysia stipulated which countries were eligible to join, the problem was that those countries knew nothing about it. There were people who supported and people who opposed the idea. The latter feared that this group would overlap the role of APEC. Because of this, Malaysia's prime minister and the ministers concerned had to explain the idea more fully.

Initially, the idea encountered many problems. But after things were explained to the ASEAN countries, several countries expressed interest and began to support this idea. In particular, Singapore supported the idea to the point of helping to set conditions for EAEC in order to maintain neutrality and overcome objections to the formation of EAEC. The conditions set were:
1. EAEC will adhere to the principle of free trade with the same goals as GATT.
2. The establishment of EAEC will not affect cooperation in APEC.
3. EAEC must not destroy the unity of ASEAN.

Besides this, other lines included adhering to the principle of equality between groups, refraining from engaging in trade protectionism, and promoting the trade and investment activities of the member countries.

Singapore's ideas helped clarify the objectives of EAEC and prevented separation along national lines, as countries outside the group had noted. Thus, Malaysia's image, as the one who had suggested the idea, improved in the eyes of the ASEAN countries and reduced criticism coming from outside countries.

Malaysian officials visited the ASEAN countries to explain the proposal, and achieved good results. After that, Malaysia raised the issue at an ASEAN economic ministers conference. Those at the conference approved of the idea. It was suggested that the group be a discussion group rather than one to impose trade restrictions. As for countries outside ASEAN, during a visit to Malaysia in April 1993, the South Korean foreign affairs minister, Mr. Han Sung Chul, said that Korea would be willing to join EAEC. China's prime minister, Mr. Li Peng, voiced full support for this idea when the prime minister of Malaysia visited China in June 1993.

Malaysia hopes that Japan will become the leader of this group and that China will play an important role. But so far, Japan has not dared to express any views contrary to those of the United States. The United States feels that EAEC will compete with APEC. And if EAEC really is established, the United States may not be able to influence the east Asian group. The United States has constantly said that having APEC is sufficient and that there is no need to establish EAEC. Because of this, Japan is wavering on whether to provide support. This is because Japan is afraid of offending the United States. Japan is highly dependent on the United States, because the United States is an important trade market. Thus, as long as the United States opposes this idea, it's unlikely that Malaysia will be able to persuade Japan to cooperate.

However, even though Japan has not taken a position, based on studies conducted by the Japanese Institute of Statistics and International Affairs, Mr. Stephen Liang, the director of this study center, said that EAEC needs large countries in the region such as China and Japan as members if it is to play an important role in world trade. Thus, it can be said that if Japan does not hesitant about its trade relationship with the United States, it should not hesitate to join this group.

At the ASEAN foreign ministers conference held in Singapore in Jul 93, those at the conference passed a resolution to have EAEC become a part of APEC in the hope of getting Japan and South Korea to play a role in EAEC. But Mr. Warren Christopher, the U.S. secretary of state, opposed this, saying that EAEC's role is still unclear and that its activities might overlap those of APEC.

At the same time, Japan and South Korea had initially been sympathetic toward the unanimous resolution passed at the ASEAN foreign ministers conference. But after the United States voiced opposition to the creation of EAEC, Japan and South Korea took a new line toward EAEC, saying that they first needed to see what form this would take and what its line would be. However, Malaysia still wants EAEC to be under the operational control of the ASEAN economic ministers.

The ASEAN countries agreed to send the ASEAN secretary general, Mr. Achit Singh, to Japan, South Korea, and China in November 1993 in order to sound out their positions on joining EAEC. The Japanese Kyodo News Agency revealed this on 30 April 1994, citing a report, not yet officially released, by the ASEAN secretary general. This report stated that the Beijing government fully supports EAEC, as does the South Korean government. But Japan has declined to join out of fear of displeasing the United States. This report states that the obstacle that is keeping EAEC from making progress is the attitude of the United States, which is unhappy with the fact that China wants to be the leader of this group and that China opposes allowing Taiwan and Hong Kong to join EAEC.

As for the Indochina countries, even though no progress has been made yet, the fact that Vietnam wants to become a member of ASEAN means that it would automatically became a member of EAEC, too.

The short-term goals of EAEC include promoting and expanding international trade and investment within the group without engaging in trade protectionism with countries outside the group. A long-term goal is to establish a balance of economic power with the EU and NAFTA groups. The following outside factors indicate that EAEC probably will be established under certain geographical conditions:

1. The opening to international trade by countries in the western hemisphere, including Canada, the United States, Mexico, Peru, Chile, and even Argentina, provides a clear picture of the international economic expansion of Asia, particularly China, Japan, and South Korea, all of which will belong to EAEC. Thus, it can't be denied that this is in line with both short-term and long-term objectives.

2. As for Indochina, Vietnam, which has the potential to become a leading player, must first revive its economy. This stems from the fact that it has had to make changes and make its economy more capitalistic in nature. Also, it is no longer receiving aid from the Soviet Union. These changes will help Vietnam revive its economy and enable it to become the economic leader in Indochina. Over the long term, if Vietnam becomes a member of EAEC, the various countries will all help each other, and Vietnam will be able to use EAEC's strength to develop its economy.

3. Leading members of APEC, that is Australia and New Zealand, will be given a chance to join EAEC based on the following conditions and openings:

3.1. Based on the openings provided by Malaysia in considering whether to admit new members.

3.2. Based on the invitation by the Thai deputy prime minister, Dr. Suphachai Phanitchaphak, who proposed allowing Australia and New Zealand to join EAEC. That proposal was made at the 1993 National Trade and Investment Outlook Conference that was held in Melbourne, Australia, at the end of 1993.

3.3. Based on the proposal made by the Japanese deputy foreign affairs minister, Mr. Koichiro Matsuura, who suggested that Australia and New Zealand join EAEC, because Japan has close relations with both countries and it relies on natural resources and food sources from these two countries. (The Kyoto News Agency cited the report by the ASEAN secretary general, which has not yet been officially released.)

The fact that these two countries are members of APEC does not mean that their economies have benefited. In the present situation, Australia's economy is in a recession, as is New Zealand's economy. Moreover, New Zealand's economic structure is not strong enough to support a recovery, and its economy is very fragile. If these two countries join EAEC based on the above openings, that should help strengthen their economies.

It won't, however, be easy to bring this about considering the influence of the United States, which may try to interfere. This is clear from the fact that it expressed its opposition to Malaysia's proposal to establish EAEC and from the fact that Japan has held back because of this.

From the above, it can be seen that because of the geographical factors, the activities of each country tend to support the establishment of a strong EAEC. The only obstacle is the unfriendly attitude of the United States.

However, internal factors within ASEAN may be the factors that prevent the establishment of EAEC. Even though the ASEAN countries cooperate on many fronts and have high-level economic relations, at the same time, there is also competition among these countries. Because of this, economic cooperation within ASEAN is not really unified. There has been a lack of cooperation on various things and a lack of unity concerning the establishment of small economic groups in the region, such as in the case of the Economic Growth Triangle.

Today, the Asian countries are making progress on the economic front and reviving their cultural traditions. The time has come for EAEC to become an important element in determining the economic, trade, and investment direction of the world even if development is not smooth.

* Commerce Source on ASEAN, Tape Piracy

94SE0198C Bangkok THAN SETTHAKIT in Thai 30 Jun 94-2 Jul 94 p 17

[Excerpt] [Passage omitted] A news source from the Ministry of Commerce told THAN SETTHAKIT that at a meeting of senior ASEAN economic officials held recently in Indonesia, the ASEAN members discussed working together to protect tape and record copyrights. At present, there is no cooperation on this among the ASEAN countries. Because of this, tapes can be pirated and sold freely, because there are no laws or penalties for this. Moreover, some ASEAN countries, such as Singapore, Indonesia, and Malaysia, are not members of the Berne Convention, that is, they are not signatories of either the Paris Agreement or the Berlin Agreement.

However, every country has agreed to cooperate in protecting tape copyrights. Protection will be expanded to include other intellectual property. And to show that the ASEAN countries are cooperating with GATT, each country is now studying this matter in order to find a way to protect intellectual property and implement measures to punish violators. The target is to have every country implement measures within 3 years to protect copyrights and other intellectual property.

Mr. Charoenchai Wang-arayatham, the president of the Thai Tape and Record Producers Association, said that if the ASEAN countries can work together, that will be a good sign for Thailand. Because at present, Thai tapes are being pirated and openly sold on markets in Singapore, Indonesia, Malaysia, and China. Besides this, some of the pirated tapes are smuggled in and sold in Thailand. The Thai tape industry is suffering huge losses because of this.

"We will have to see if the ASEAN countries really can work together. It's time that the government took notice of the fact that the rights of Thai tape producers are being violated. In the past, the government felt that Thais were violating American tape copyrights. Now that the rights of Thai producers are being violated, the government should provide help."

Mr. Yanyong Phuangrat, the deputy director-general of the Intellectual Property Department, said that the ASEAN countries should reach an agreement on international cooperation. They should agree to protect the tape copyrights of each other and stipulate methods for imposing fines if people continue infringing on the copyrights. There is no need to promulgate a law or sign an agreement, because unlike Thailand, few of the other ASEAN countries are members of the Berne Convention.

Slovenian Economic Cooperation To Expand

BK0908085094 Bangkok Radio Thailand Network in English 0000 GMT 9 Aug 94

[News in Perspective: "Thailand and Slovenia Agree to Expand Bilateral Cooperation"]

[Excerpts] Thailand and the Republic of Slovenia have agreed to expand their cooperation in various areas. The agreement was reached when Deputy Prime Minister Suphachai Phanitchaphak paid an official visit to Slovenia during 4-7 August 1994.

The visit was significant as it was the first ever such visit to that country by high-level delegation from Thailand after Slovenia declared independence in 1991, separating from Yugoslavia.

During the four-day visit, Deputy Prime Minister Suphachai held talks with several leaders of Slovenia including prime minister, deputy prime minister, acting foreign minister, and minister of science and technology.

The Thai delegation also exchanged views with leading personalities from the Slovenian private sector on trade, economic, and investment cooperation between the two countries. [passage omitted]

Thailand and Slovenia share the same view that both countries have their economic structures which could contribute to each other. Therefore, they stand a good chance of expanding bilateral cooperation, especially in trade ties.

In addition, Thailand can serve as a gateway for Slovenia to Southeast Asia, while Slovenia stands a good chance of becoming Thailand's gateway to central and eastern Europe. Slovenia's (Kopa) seaport will speed up goods transportation by sea from Thailand to Europe.

During talks between Deputy Prime Minister Suphachai and Slovenian leaders, Slovenia expressed its impression of Thailand's success in economic development, especially the steps taken by Thailand to become the economic and financial center in Southeast Asia.

Slovenian business people intend to join Thailand in developing hydropower dams, such as Phumiphon Dam in the north and Chio Lan Dam in the south. They also want to undertake joint ventures with their Thai counterparts in chemical production and importation of Thai agricultural products, such as tapioca and canned food.

On investment area, Slovenia is interested in investing in infrastructure development in Thailand.

Both countries agreed to exchange information on a regular basis to strengthen economic, trade, and investment relations. They will later sign agreements on trade cooperation, investment promotion and protection, the avoidance of double taxation, and scientific and technological cooperation.

In addition, they agreed to support exchange of visits by trade missions of the two countries.

The visit to Slovenia by Deputy Prime Minister Suphachai greatly attracted Slovenian mass media, which gave extensive coverage of the visit on television, radio, and in newspapers. The atmosphere of the visit was cordial and Slovenia showed great enthusiasm to step up relations and cooperation with Thailand in all areas.

* Thai Nation MP, Chawalit Discuss Merger Law

94SE0198B Bangkok NAEO NA in Thai 1 Jul 94 pp 1, 10

[Excerpt] [Passage omitted] In his capacity as the spokesman for the Subcommittee To Amend the Political Party Law, Mr. Songsuk Phakkasem, a Thai Nation Party MP from Chiang Mai Province, said that General Chawalit Yongchaiyut, the minister of interior, invited a number of subcommittee members to meet with him on 29 June in order to discuss amending the political party law to make it easier for parties to merge. Gen. Chawalit feels that the views of the subcommittee are in line with those of the interior ministry, which wants the political parties to become stronger than they are now.

"He asked about the possibility of including an article in this law to allow parties to merge, with those parties that merge retaining their status as political parties. Later on, if a conflict should arise and they can't get along, they should be allowed to separate and use the original name of the party. They should not have to disband the party, which is the case today."

Mr. Songsuk said that it will be good if the law can be amended during this session of parliament in case parliament is dissolved and a new election is held. This law will enable parties to merge and form a majority party with a single policy. That will facilitate administering the country. This is in line with the majority-vote system in use now. The only thing is that this will strengthen things and help to balance power within the party.

"Today, whenever there is an election, many parties win seats, with the result that the government must be a coalition government. And there must be a coalition of opposition parties. Once this law is enacted, parties will be able to merge, and this will strengthen those parties. During an election, they may split apart, or if they are satisfied with things, they can stay together. This will prevent the formation of many parties."

General Chawalit said that he talked with Mr. Songsuk about the political party law. There are both those who support and those who oppose forbidding MPs from transferring to another party. Some have observed that politicians should be given broad freedom in carrying on political activities instead of restricting their rights. But many others feel that without a political party law, politicians will move from one party to another. There won't be any discipline, and the parties won't be able to grow. After discussing things, they concluded that the law should definitely be amended in order to build strong parties. The law should allow those parties that have similar policies to merge.

General Chawalit said that the purpose of this is to stop the formation of coalition governments, because having a coalition government poses a major obstacle in getting things done. If there are only two-three parties in the coalition, there won't be a problem. But if there are five-six parties in the coalition, it becomes very difficult to do anything. Thus, in amending this law, the objective is to firmly unite those parties that form the government and to have regulations instead of empty words, with the parties later splitting apart.

* Report on Chamlong Party Finances, Donors

94SE0193A Bangkok NAEO NA in Thai 27 Jun 94 p 3

[Text] On 24 June, Mr. Akon Huntrakun, a former Moral Force Party MP from Zone 1 and an important party member, announced that he had left the party. And this means more than simply leaving the party. It also means that he will stop supporting the party financially.

It is believed that that political party is like a company. There must be a support section, that is, backers who provide financial support for the party's political activities, particularly election activities. This is one of the main things that has enabled this political party to survive and prevented it from experiencing financial problems.

The Moral Force Party, like other political parties, must "spend money" during elections. Major General Chamlong Simuang is probably the only person not to become involved in such matters.

Thus, the Moral Force Party must have a secure financial base. Even though the law stipulates that candidates can not spend more than 1 million baht, in reality, no one believes that the political parties keep their spending within that limit, and that includes the Moral Force Party. Everything depends on how the "books" are kept to ensure that the law is not violated.

When the "crisis of confidence" arose within the Moral Force Party, some of the party's financial supporters began to withdraw. That includes Mr. Phiraphong Thanomphongphan, a hotel magnate, and most recently Mr. Akon Huntrakun, another hotel magnate. The question is, if financial supporters begin withdrawing from the party, how secure will the party be financially? And will the political security of the party decline, too?

When the Moral Force Party registered as a political party on 9 June 1988, most of the party's "financiers" at that time were "nameless." That is, their names were not revealed. But it was well known that the party's financial supporters include some of the country's leading businessmen. These included:

1. Mr. Prasit Narongdet, the chairman of the board of the Thai Stock Paper Company and its subsidiaries, which was engaged in the paper business.
2. Mr. Kasem Chatkawanit, the chairman of the board of the Thai Ice Company Ltd.
3. Mr. Somphop Piya-ui, a member of the board of the Dusit Thani Group.
4. Mr. Ruan Nangkhruawan, the owner of the Beck Thai Bangkok Equipment and Chemicals Company Ltd., the Beck Thai Scientific Industries Company Ltd., the Quality and Research Company Ltd., and subsidiary companies.
5. Mrs. Mali Senchanthichai, the owner of the Luk Rak Preschool.
6. Mr. Prathip Kitchaphiphat, the owner of the Cement and Building Materials Transport Company.
7. Mr. Prasit Klinsunthon, the owner of the Praniphan Company Ltd.
8. Mr. Chatri Sophonphanit, the managing director of Bangkok Bank Ltd. and subsidiary companies.
9. Captain Krutsatha Arunwong Na Ayuthaya, the governor of Bangkok and the owner of the Casa Company Ltd. and subsidiary companies.

This does not include those businessmen who did not want their names revealed. They initially raised 200 million baht to enable Major General Chamlong to carry on political activities.

From the older financiers, let's now turn to newer financiers. This includes BMS, or the Ploenchit 36 Group, which encompasses a group of 80 businessmen. Besides the BMS, or Ploenchit 36 Group, there are several other people who feel that the Moral Force Party is a political party that shares their ideals and to which they have donated money. This includes:

Mr. Burin Wongsanguan from Bangkok Land. Mr. Burin also owns shares in the Casa Company.

Dr. Chaiyut Kannasut, the chairman of the board of the Ital Thai Company and subsidiary companies.

Mr. Anan and Mr. Khiri Kanchanaphat, the owners of the Bangkok Land Company and the Thanayong Company.

Mr. Rachot Kanchanawanit, the managing director of the Ao Kham Thai Company Ltd.

Miss. Lalinthip Tharawonitchayakun, a member of the board of the Irrigation and Cement Company.

Mr. Bunyong Wongwanit, the chairman of the board of the English Tra Ngu Company Ltd. and subsidiary companies.

Turning from people outside the party to people within the party, some of whom are MPs, this includes:

Mr. Udon Tantisunthon, the owner of the Tak Timber Company. He is also involved in land development activities in several other places.

Mr. Koson Krairuk, the owner of the Eastern Finance Finance and Securities Company.

Mr. Bunchu Rotchanasathian, the chairman of the board of the PSA Company Ltd, which has now ceased operating.

Mr. Thawin and Mrs. Phimpha Chanthaprasong, MPs from Nonthaburi Province. These two people have been nicknamed the "landlords" of Nonthaburi. They own the Phatcharinthon House Company, the Rattana Construction Company, and the Phondamrongchai Company.

Mrs. Sudarat Ke-uraphan, the owner of the Renu Phattana Company, the S and R Property Villa, and the Diamond View Company Ltd.

Those are the "pocketbooks of the Moral Force Party." But some of these have left the party. Because of some of the things that have happened, not all of these people still support the party. But most are still firm supporters. Thus, even if there are 10 elections, the Moral Force Party is prepared to fight everywhere. But how many seats it wins is another matter. In any event, the Moral Force Party has the financial base to pay for all of its political activities.

* Navy CINC Comments on Budget, Readiness

94SE0198A Bangkok LAK THAI in Thai 2-8 Jul 94 pp 13, 14

[Excerpts] [passage omitted] Because the government has to spend huge sums in support of its policy of developing the provinces, the budgets of other sectors must be cut even though those sectors view their budgets as being very important. [passage omitted]

As soon as it was learned that the requested military budget had been cut, there was a strong reaction by the military, particularly the navy. It is well known that the security issue has changed from one of engaging in conflicts over land to maintaining the country's resources. By an economic war, those in the security sector mean that the navy must protect Thai fishing boats and our territorial waters and keep foreigners from taking our resources.

Admiral Prachet Siridet, the commander-in-chief of the navy [RTN CINC], said that the navy plans to build patrol boats for use in protecting our interests at sea, because the mission of the navy is becoming heavier and heavier. Six older ships have been decommissioned and so we must obtain new ships. But if the government cuts the budget for this, this program will have to be postponed. And if that is the case, in the future the navy won't be able to carry out its mission. Ships will have been decommissioned, but the mission will remain. [passage omitted]

The RTN CINC said that "we just want to tell you that in the future, we may have to say that we can't do the job because we don't have the resources."

Admiral Prachet said that in defending the nation's interests, you have to look far ahead, and preparations must be made for replacing ships.

"There is, for example, a program that stipulates what the navy will do during the next 5 years. But if we aren't allocated the funds requested, that will affect our combat readiness. The important thing is that people must realize that fighting is not the navy's only function. We also have a duty to defend the country's interests at sea. If our budget is cut, our efficiency will decline, too."

Concerning this budget cut, the RTN CINC said that "the funds needed to improve our military readiness have been delayed for a long time. This cannot be postponed any longer. Even though the main forces won't be affected that much, this is still a problem."

The RTN CINC said that he has prepared detailed data and submitted them to the minister of defense in order to have the motion amended in parliament. General Wichit Sukmak, the minister of defense, has been asked to discussed this with people. The navy's budget has been cut, but the tasks assigned it have increased. Building those ships will require budget funds for 3 years. Six ships have been decommissioned. The navy has requested funds for just three ships, but instead the budget has been cut again. People must be made to understand the necessity of this. Unless quick action is taken, the [navy] won't be able to carry out the tasks assigned by the government.

This is something that the government will have to review, because when an officer of his stature speaks, governments in our Thai-style democracy must listen.

"I don't want to reveal the figures, because they aren't very good. If we get the ships that we need, that will help control trafficking in contraband oil. We will be able to protect the fishermen and defend another 20 laws."

Admiral Prachet said that "the government looks at the country as a whole, but the military has to look at things based on its mission. The government wants us to do this and that with just the tools at hand. If our equipment is poor, we will not be able to carry out our mission efficiently.

"That is all I want to tell the government. I don't want to put any pressure on the government. Even in peacetime, we have to be prepared. You can't put your forces on the shelf. You have to be prepared."

Those are the views of the RTN CINC, who is disappointed with this year's budget.

Looking back at the political events during the time that the draft act to amend the constitution was submitted, all of the military officers who are members of the Senate voted with the opposition against the government. During the debate on this budget act, in looking at the Moral Force Party, many people thought that there might be problems, because some members wanted to oppose the government. But the possibility of that was actually very small, because if the Moral Force Party had done that, the disadvantages would have outweighed the advantages. It's doubtful if the Moral Force Party would have dared use a party matter that could have had political consequences, particularly concerning the budget, which is a rather delicate issue. [passage omitted]

Even though Thailand has an elected government, the administration of the country is still largely in the hands of bureaucrats, and soldiers are still considered to be the leaders of the bureaucracy. [passage omitted]

Bank Official Notes First-Half Economic Figures

BK0908082994 Bangkok BANGKOK POST in English 9 Aug 94 p 28

[Text] Thailand's total exports during the first half of this year reached 517.8 billion baht, up 22.9 percent over the same period of last year, according Bank of Thailand spokesman Phisit Li-atham.

Major contributors to the increase were new industrial products such as plastic goods which represented a 40 percent increase. The rise was in respond to growing demand in Singapore, Hong Kong and Japan.

Other key exports included computers and components canned seafood, integrated circuits and parts, furniture, radios and television sets and electric fans, whose exports grew by 20 percent.

Mr Phisit said exports of fish products rose by 19.4 percent with frozen shrimp rising the most at 27.8 percent. Major markets are Japan and the United States.

Exports of farm products rose by 5 percent, but rice exports rose 30 percent because of the delivery of 500,000 tons of quality rice to Japan. Tapioca declined by 28 percent because of the European Union's policy on the reduction of guaranteed prices on commodities.

Mr Phisit said total imports during the first half rose 13.7 percent to 604.4 billion baht.

This was broken down into non-oil imports which rose 15.8 percent (excluding aircraft and military goods). Consumer product imports rose 23.5 percent, capital goods 18.5 percent, raw materials and semi-raw materials 12.9 percent.

Crude oil imports rose 10.9 percent.

Turning to net capital flow Mr Phisit said Thai commercial banks registered a 202.2-billion-baht capital surplus, up 200 percent from the same period last year.

Non-bank capital flow registered a three-billion-baht deficit compared with same period last year when there was a 82.9-billion- baht capital surplus.

Capital flow into the stock market registered a 28.7-billion-baht deficit, compared with a 12.8-billion-baht surplus in the same period last year. This was a result of increasing interest rates which made investment in the stock market less attractive, Mr Phisit said.

Reduction of Rice Tariff Under AFTA Proposed

BK0908084594 Bangkok BANGKOK POST in English 9 Aug 94 p 28

[Text] Thailand is to propose that rice be included in the tariff reduction project of the ASEAN Free Trade Area [AFTA] a part of the policy of expanding cooperation among member of the group, according to Commerce Minister Uthai Phimchaichon.

AFTA is the agreement of ASEAN members to boost trade among member countries. Under the Common Effective Preferential Tariff, tariffs are to be cut for industrial products, capital goods and some processed farm products to 0-5 percent within 15 years starting last year.

With AFTA in place for more than a year now, ASEAN is considering expanding its coverage by including more products. Agriculture and services are the sectors given first priority.

Mr Uthai said Thailand is preparing to list a number of unprocessed farm products for inclusion in AFTA, which would be likely to benefit Thailand because the country has more opportunities to export those products to other ASEAN members.

Mr Uthai said Thailand must carefully consider what to include in this list of unprocessed farm products, and it is likely that rice will also be included.

Rice is a sensitive matter in ASEAN countries like Thailand, Indonesia and the Philippines because it concerns farmers and tends to be a political issue.

The director-general of the Business Economics Department, Kroekkrai Chiraphaet, led a Thai delegation to the Senior Economic Officials Meeting [SEOM] in Jakarta last week. He said the working group under SEOM is considering the list.

It is likely that the proposed list will be presented in two patterns. The first will include all unprocessed farm products on the list, but the number will be cut if ASEAN cannot reach a consensus on those particular products. The second will include only those products which agreement can be reached.

The list agreed by SEOM must be endorsed by the ASEAN Economic Ministers Meeting scheduled to be held in Chiang Mai from September 21 to 22.

Mr Kroekkrai said ASEAN Agriculture Ministers will meet in mid- August to discuss policy on trade in agricultural products among ASEAN countries, but it is not certain whether the Agriculture Ministers will discuss the inclusion of unprocessed farm products in AFTA.

Concerning the expansion of AFTA to cover the services sector, Mr Kroekkrai said telecommunications and transportation will be the first sectors to be included in AFTA.

This is because there is the potential for most ASEAN members to accept cooperation in these two sectors, and it is likely to enhance the success of economic cooperation of some ASEAN members such as Thailand, Malaysia, and Indonesia under the Growth Triangle.

Mr Kroekkrai said SEOM will draft the framework agreement for cooperation in services to present at the ASEAN Economic Ministers Meeting. The framework agreement will be based on the multilateral negotiations under the General Agreement on Trade in Services (GATS).

The SEOM meeting last week also expressed concern about the postponement of the ASEAN summit from January next year to December.

The World Trade Organisation [WTO], the successor to the General Agreement on Tariffs and Trade, will be set up this January, and some policies of ASEAN economic cooperation may be affected by the establishment of the WTO.

Therefore the coming meeting of ASEAN Economic Ministers will have to consider carefully economic policy among the group and with counterparts like the United States, Japan and the European Union.

* Labor, Business Sectors on Worker Safety

94SE0185B Bangkok SIAM RAT in Thai 27 Jun 94 p 3

[Unattributed report: "1994: the First Year of the Decade of Worker Safety"]

[Excerpt] [Passage omitted] Mr. Rangsarit Chantharat, the Director of the Department for Labor Welfare and Protection of the Ministry of Labor and Social Welfare, said the heart of these activities would be a 5 day technical seminar concerning safety in the workplace. Experienced personnel would put on an exhibition and would encourage those who had conducted themselves well with regard to safety, both employers and employees.

Mr. Rangsarit said with regard to safety in the workplace that statistics showed that employees became injured or ill at work a great deal. This had increased each year, and in 1993 it increased 4 percent over the previous year. There were 150,000 workers who had been hurt—this ranged from injuries to death. The figures had increased because there was more work and more workers. It was clear because of these increases that we would have to have each side struggle to get those on each side involved, the employers and the employees as well as the government and the people, to concentrate more on this problem and to work for safety in the workplace. [passage omitted]

In addition he admitted that Thailand still did not have safety standards equivalent to those in other countries or the world. In any case the Interior Ministry had made 16 announcements concerning safety in the workplace. In addition the Department of Industrial Works and the Ministry of Public Health had issued regulations in this regard and had conducted a public relations campaign to inform the people. They had also sent officials to inspect working conditions.

Mr. Somphong Nakhonsari, the Chairman of the Council of Thai Employers, Merchants and Industrialists, expressed the opinion as the representative of the employers that safety in the workplace would become an issue when employers, employees and the state became interested in it and adopted the practices called for in the Interior Ministry announcements concerning safety in the workplace.

Mr. Somphong said that at present the figures for factories indicated that the labor force was over 3 million and there were over 150,000 accidents per year or about 4 percent. This figure had not gone down; it had increased. This was an indicator of whether employers and employees were interested in safety in the workplace. If they were interested, it was just at a primary level, and this was was not sufficient for safety because the workers, administrators and the state did not think safety was important. They thought more about their work and economics. [passage omitted]

Mr. Phanit Charoenphao, the Chairman of the Thai Congress of Employee Organizations and Federation of Labor, said that in working together to solve this problem each side would have to make a genuine effort, especially the employees who were directly affected by the problem. In any case one side alone would have difficulty solving the problem. The employees realized this because they knew that human resources were valuable and were important for developing society into a newly industrialized country which could command respect. With regard to past problems one had to admit that the numbers which have come out were just government numbers and there were probably many other numbers which were not reported.

In any case more than 50 percent of the employees now had little education, which was a serious problem in the workplace where there was a lack of knowledge. If we analyzed the figures for education above the sixth year of secondary school, the numbers would be low—we know what happens to these students. But the workers coming out of agriculture needed more education and knowledge before they worked with machinery.

At the same time officials had ways of inspecting for safety. Mr. Rangsarit said that there was a regulation that employers in industry with 100 emplyees or more would have to have a safety official at the workplace, or ChP., who would work in the workplace and help supervise as the eyes and ears of the employer. If there were an accident, he would have to report to the government and find a way to prevent such accidents. The employer did not have the time to supervise directly and so this method would help improve safety.

As for inspections someone who was involved in the workplace would have to help. At present there were union members who could do this. Any workplace with a union could have its members join in the inspections.

Meanwhile the employers were to have a meeting to discuss how this would work. Their council was to receive information from the government. They would have to improve results in the future. In addition in other countries they did not use single officials to inspect. In Japan, Korea and Malaysia they had independent agencies which were not part of the government to perform this service and ease the burden on officials. This was a new approach whose feasibility the cabinet decided to allow to be studied. Standards would be decided on later.

Mr. Rangsarit also said that another factor to consider was that there was now a workers' compensation fund which provided a guarantee that when there was an accident at work, compensation would be paid from this fund to the employee or his heirs instead of the employer paying. The employer has paid into the fund already. But this just took care of the problem, it did not prevent the problem. The government felt that when there was enough money, it would expand the scope of the fund's uses. Now there was a law which would take effect on 1 July 1994 that some of the interest earned from this workers' compensation fund, which now totaled about 5 billion baht, was to be used to prevent hazards, injuries and environmental problems in the workplace as well as to promote improvements in safety. This would be a step in the right direction, but these government funds alone would not be enough.

* Child Prostitution Controversy Continues

* Chuan Questions Data

94SE0192A Bangkok SIAM RAT in Thai 14 Jun 94 p 5

[Text] Mr. Chuan Likphai, the prime minister, talked about prostitution in Asia. There have been reports that the problem is growing worse and that there have been major shifts. He said that this is nothing new. In particular, the problem of child prostitutes below the age of 18 was not viewed as serious, because society paid little attention to this problem.

"Thailand has become the victim of these reports because we are an open country. We allow reporters to come and gather information. There are many Thai units, and the data differs. Some pieces of information stem from peoples feelings. Other pieces of information come from statements made by people in an attempt to obtain help," said the prime minister on 13 June. He made those statements while chairing the conference on child prostitution in Asia that was held at the YMCA.

Mr. Chuan said that the government has implemented a clear policy. That is, prostitution is a problem that has tarnished our reputation. Even though this cannot be denied, we can't allow it. This problem does not, however, stem from any one cause. This has to do with poverty, education, and the economy. This does not mean that people want to earn their living this way. Another important reason is that officials may be involved, or they may be lax in doing their job. Thus, if it is found that an official is intentionally allowing prostitutes to work in an area, they will have to take responsibility.

"The government feels that this problem concerns the country even though prostitutes are not criminals. One thing that we can do is to promulgate a law that puts the blame on those who use the services of prostitutes. When foreigners violate the law, their embassies try to protect them. This is one of the problems facing officials. Today, people are entering Thailand to work as prostitutes. I don't want to mention any names, because that would be tantamount to accusing them. This problem can't be solved by punishing one person. This must be suppressed using a variety of methods. The important thing is to educate our children. Then, they will be able to make decisions and not place too great a value on material things. And it won't be so easy to trick them. Steps must also be taken to change the values of those parents who sell their children. Both officials and monks must urge children to engage in other types of work," said the prime minister.

* Police Figures Cited

94SE0192B Bangkok DAILY NEWS in Thai 14 Jun 94 p 3

[Excerpt] Mr. Chuan Likphai, the prime minister, presided at the opening of a conference on child prostitution in Asia that was held at the YMCA. He said that Thailand has problems just like many other countries in this region. The reason why so many news reports have focused on Thailand is that we are an open country. Reporters can enter the country easily. We give reporters as much freedom as any country in the world. Thus, they can obtain data and write stories. In some cases, the data is wrong. Sometimes the data conflicts. Take the data on child prostitutes, for example. The Ministry of Public Health surveyed people with venereal diseases and people at brothels at the beginning of 1994 and found that there are 76,047 prostitutes (the report did not mention the number of child prostitutes). The Police Department has stated that there were 69,987 prostitutes in 1993. Besides this, the Thai Red Cross AIDS project has reported that there are approximately 150,000 prostitutes and that about 30 percent, or 30,000, are child prostitutes.

The prime minister said that because the figures differ, the sources of the data need to be reviewed. Some of the units obtained their data by conducting surveys. Others obtained figures based on their general understanding. And some data have been used to obtain aid from abroad. Today, the Ministry of Labor is surveying the number of prostitutes in order to get an estimate of the true number. That will enable us to take steps to solve this problem in line with the real situation. [passage omitted]

* Labor Minister at ILO Conference

94SE0192C Bangkok DAO SIAM in Thai 18 Jun 94 p 3

[Excerpts] A conference of the International Labor Organization (ILO) is being held in Geneva, Switzerland. The conference began on 7 June and will conclude on 24 June 1994.

In their capacity as conference participants and as the leaders of the Thai delegation, which attended the conference from 7-9 Jun, Mr. Phaithun Kaeothong, the minister of labor, and Mr. Sawai Phrammi, the under secretary of labor, discussed the results of the conference. [passage omitted]

As for the child labor issue, which will probably be discussed this week, the Thai delegation is well prepared to discuss this, particularly the issue of child prostitutes. ILO has charged that there are 200-800,000 prostitutes. Actually, there are no more than 40,000 child prostitutes in Thailand. Data on the use of child laborers and the steps taken by Thailand will be presented at the conference. [passage omitted]

Vietnam

Talks on Tariff Cooperation Begin With ROK

BK0908134094 Hanoi Voice of Vietnam in English 1000 GMT 9 Aug 94

[Text] Vietnam and South Korea have started five-day talks on bilateral cooperation in tariffs. It is the first meeting of its kind between the two countries. They are trying to finalize an agreement on bilateral cooperation in this field. The Vietnamese delegation is led by Mr. Phan Van Dinh, head of the General Customs Department, who arrived in Seoul on August 7th for a week-long visit.

Air Link To Hasten Cargo Transport to Europe

BK0908123594 Hanoi Voice of Vietnam in English 1000 GMT 9 Aug 94

[Text] Cargo transport between Vietnam and Europe will become faster and more regular due to a new air link between Ho Chi Minh City and Luxembourg. A Boeing 747-F will depart from Tan Son Nhat International Airport every Tuesday. From Luxembourg, cargoes from Vietnam will be forwarded to other European destinations.

The new route is being jointly operated by Vietnam Airlines and Cargo Lux.

General Vo Nguyen Giap Ends Visit to Italy

BK0908121394 Hanoi VNA in English 0621 GMT 9 Aug 94

[Text] Hanoi VNA August 9—Gen. Vo Nguyen Giap concluded a 9-day visit to Italy on August 8 as guest of the Italian Democratic Party of the Left (PDS).

While there, Gen. Vo Nguyen Giap met with PDS General Secretary Mr. D. Alema the chairman and general secretary of the Italian Communist Party Refoundation (PRC) and the chairman of the External Relations Commission of the Italian Senate. He also had working sessions with the leadership of the cities of Rome, Siena, Florence, and Venice.

During the meetings, Gen. Vo Nguyen Giap informed the Italian leaders of the Vietnamese people's achievements in their renovation process and expressed thanks to the progressive democratic forces and the people of Italy for their warm support to the Vietnamese people in the struggle for national liberation in the past and national construction at present.

The Italian side highly appreciated the Vietnamese people's struggle for national liberation, considering it invaluable contributions to the cause of peace, national independence, democracy and progress in the world. They also hailed the Vietnamese people's achievements in the renovation process and expressed wishes to strengthen the cooperation between Vietnam and Italy and to help Vietnam build and develop the country.

Air France Granted Limited Flying Preference

BK0908130594 Hanoi Voice of Vietnam in English 1000 GMT 9 Aug 94

[Text] Vietnam Civil Aviation Administration has allowed Air France to carry passengers for a limited period in and out of Vietnam who are not flying in or out of Paris. Twenty seats a month will be offered to passengers flying only on the Bangkok-Hanoi and Hanoi-Bangkok sectors. The offer is only valid on Air France Sunday flights and will lapse on 30th October.

New Rules on Foreign Economic Offices Issued

BK0908051194 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 8 Aug 94

[Text] The government of the Socialist Republic of Vietnam recently issued a decree setting regulations on establishing and running representative offices in Vietnam by foreign economic establishments.

Provisions of the decree clearly detail rights and responsibilities of representative offices of foreign economic establishments and create favorable conditions for these offices to fulfill their purposes as permitted by the Vietnamese authorities. The decree also stipulates provisions of these offices changing names or officers in charge.

Article 18 of the decree says that representative offices in Vietnam of foreign economic establishments do not have the privileges of immunity status reserved for diplomatic missions, foreign consulates, and representative agencies of international organizations in Vietnam. Representative offices must abide by Vietnamese law and are entitled to the rights protected by the state of Vietnam.

KR Kidnappings 'Undermining Reconstruction'

BK1008090894 Hanoi Voice of Vietnam in English 1000 GMT 9 Aug 94

[Station commentary]

[Text] Radio Australia reports that the Khmer Rouge [KR] are threatening to kill the Westerners who were kidnapped last week. The threat was made after the Khmer Rouge realized the failure of their blackmail. Following is our radio comment:

The kidnap of the three Westerners has touched off indignation throughout Cambodia and the world. On 30 July, a train from Poipet to Sihanoukville was halted by two mines laid by Khmer Rouge. Then the Khmer Rouge troops fired on the passengers, killing 13 people. The Khmer Rouge captured 100 people as hostages. The following day, the Khmer Rouge set free the captured people except 16 hostages including 10 Cambodian people, three Vietnamese nationals, and three Westerners—one Australian, one British person, and one Frenchman. For each of the three foreigners, the Khmer Rouge asked for 150,000 U.S. dollars.

It is not the first time that the Khmer Rouge have kidnapped foreigners. After the general election in Cambodia last year, the Khmer Rouge lost a camapaign against foreigners who are living in Cambodia. In April, one British person and one Australian were kidnapped and the Khmer Rouge demanded a ransom in gold for their release. However, no ransoms were paid. Recently, at the end of July, the bodies of the two foreigners were found at a former Khmer Rouge base. Cambodian and world public opinion was angered by these barbarous acts and is similarly incensed by this recent kidnapping of foreigners.

The two co-premiers of Cambodia, Prince Ranarridh and Mr. Hun Sen, said: Efforts are being made to trace the kidnapped persons.

Australian Prime Minister Paul Keating demanded the Khmer Rouge release the Westerners and affirmed no ransom would be paid.

It is not only because of money, but with these kidnappings the Khmer Rouge want to undermine national reconstruction in Cambodia. The Khmer Rouge is the only force in the world using such tactics. The CHINA NEWS AGENCY Reported that many companies from France, Australia, and the United States have recently planned to invest in Cambodia in tourism, the production of consumer goods, and the rehabilitation of infrastructure. Nevertheless, the Khmer Rouge oppose it. It is the Khmer Rouge who oppose peace, stability, and foreign investment in Cambodia. Therefore, the Khmer Rouge keep undermining reconstruction in Cambodia and attacking foreigners to hinder foreign investment.

In its broadcast on 1 August, Radio BBC said that the Khmer Rouge were trying to sabotage efforts for economic development in the country. The Khmer Rouge massacre of Vietnamese nationals in Cambodia is aimed at undermining friendship between the two peoples of Vietnam and Cambodia. And now the Khmer Rouge again use the Westerners' lives to destroy national reconstruction in Cambodia.

Khmer Rouge inhuman acts are unacceptable to everyone. Efforts should be taken immediately to prevent such acts to defend people's security and the noble aims of the United Nations.

Le Phuoc Tho on Party Renovation

BK0808152394 Hanoi NHAN DAN in Vietnamese 15 Jul 94 p 3

[Last installment of "the main part of" a speech delivered by Political Party Member Le Phuoc Tho at the national conference of cadres convened by the Central Committee Secretariat in May 1994. The first installment was published in the 3 August East Asia DAILY REPORT, Vietnam section, under the headline "Le Phuoc Tho Speaks on Party Renovation," on pages 71-73.]

[Text] II. Continuing to uniformly rectify the organization and cadre-related work.

In the last two years, with great efforts from the entire party, we have achieved very important results renovating and rectifying the party. However, they are only initial results, which are not completed nor widespread.

In reality there are still huge problems and many difficulties and challenges. We must determinedly carry on the work with greater effort in order to fulfill the demands for the renovation and rectification of the party set forth by the Central Committee Third Plenum Resolution.

The following are some main duties which require the utmost concentration regarding implementation in the coming period:

First, we must concentrate our guideline on building and consolidating basic party organizations.

First of all, party committees at all levels need to restudy their grass-roots situation, correctly evaluate the real situation of all grass-roots forms, and introduce planning to consolidate grass-roots organizations. In particular, we must improve the situation of key organizations and weak organizations in all areas. The consolidation of weak organizations is primarily the responsibility of the grass-roots party committee and party chapter. However, they must receive guidelines and assistance from higher levels. Wherever there are internal difficulties such as internal disunity and manifestation of negativism found in key cadres, then, direct instructions and help from a higher level are greatly needed. Party committees at higher levels must first attach importance to a complete strengthening of party committees and key cadres at the grass-roots and send experienced party committee members and cadres to the grass-roots to give temporary help in all aspects.

The party committees must both pay attention to directing the consolidation of weak organizations and fostering new elements and models. The important thing is to know how to adopt experiences drawn from advanced organizations to improve weak organizations, making them moving forward, and from there, achieving the standards of clean, strong party organizations.

Regarding the standards for a clean, strong party organization in the new situation, the Central Organization Department will solicit opinions from party installations before supplementing and perfecting official documents to direct the implementation. At present, we have to closely follow the functions and duties outlined in the Party Statutes for basic party organizations. We also have to pay attention to the demands of the renovation undertaking and the real situation to correctly evaluate the standards of a clean, strong party organization:

—First, the party organizations must direct party members and the masses to satisfactorily accomplish grass-roots political duties such as developing the local economy, eliminating starvation and reducing poverty, improving the people's life, fulfilling all national defense and security duties, guaranteeing political stability, and satisfactorily completing all work and obligations entrusted by the state and higher levels.

—Second, the party organizations must build, strengthen, and develop the role of all organizations in the political system.

—Third, the party organizations must strengthen the relation with people from all walks of life and have many party members doing public relation work who are trusted by the public.

—Fourth, the party organizations must restrain and push back all manifestations of corruption and negativism.

—Fifth, the party organizations must be united and unanimous. They must maintain and improve the good quality of their activities, build a contingent of strong party committee members and grass-roots cadres, satisfactorily carry out the task of educating and fostering outstanding members from the public to introduce to the party, and so forth.

In order to achieve the aforementioned requirements, it is essential that the following contents and measures be satisfactorily carried out:

strengthened, starting with key leading comrades such as party committee secretaries, chairmen of people's committee for villages and subwards, and party committee secretaries and heads of grass-roots units.

—Basic party organizations must follow the regulations set forth by the Central Committee Secretariat on the functions and duties for different forms of organization at the grass-roots to successfully execute their duties. At the same time, they must introduce regulations outlining the concrete activities of party committees, chapter committees, and party chapters to ensure that each party organization will correctly execute its leading role without loosening the leadership and without overlapping with, stepping on, or doing somebody else's work.

—Party committees and party chapters must correctly comply with the principles of democratic centralism, collective leadership, and individual responsibility. Every policy of the party must be democratically discussed and decided on by the majority without allowing the use of any individual right to overrule the collective right. Party activities must be based on the mode of of carrying out stern criticism and self criticism in the spirit of promoting party building and affection among the like-minded with a determination to do away with the state of deference; balking at making criticism, and other indications of wrongdoing.

— We must constantly undergo training and improve our knowledge and leadership skills in accordance with renovation requirements. The situation and tasks arising from the current renovation process require that every party committee echelon and every party member must constantly undergo training and steel themselves in various respects. Every province and district must have training schools which take turns giving additional training to grass-roots cadres; and they must create material conditions for cadres to undergo training.

—We must renovate leadership methods along with renovating mass motivation work; and must respect, listen to, and accept public views on party building.

—We must continue to consolidate and develop the role of grass-roots party organizations at the village and ward levels. Greater attention must be given to building grass-roots party organizations within trade firms, service units, and public organs, particularly the organs under the central authority or at provincial and city levels. We must concern ourselves with building those party organizations and party cadres and members who are working in cultural and art units and in the press circle; who are going on TDY, working, or studying in foreign countries; or who have daily contacts with foreign countries. Party committee echelons must intensify their leadership over the building of mass organizations, especially trade unions within private enterprises and joint ventures with foreign countries. We must actively generate the source of prospective party members in the advance toward building party cells and party chapters in these enterprises. The party Central Committee Organizational Department must, together with various organs concerned, promptly study standard operating procedures for party organizations of private enterprises which are in partnership or joint ventures with foreign countries so as to guide these party organizations to operate in a right direction.

Second, we must effect a drastic change in cadre-related work. This is an important goal of the party building task of various echelons and sectors. We must ensure that this task meets existing requirements while actively preparing cadres for use in national industrialization and modernization during the upcoming decades.

On the basis of firmly grasping the standards of quality of cadres in general and of party committee members in particular in the new situation (as outlined in the party Central Committee's third plenum resolution), we must satisfactorily carry out the following:

a. Party committees at various levels must reevaluate the actual state of their contingent of cadres at all echelons (city, precinct, district, village, ward, enterprise, and other grass-roots units). This is to find out what echelons have adequate cadres; what echelon have not; and in what positions? It is necessary to evaluate their strengths and weaknesses, their strong points and weak points, so as to come up with a substantive correctional plan.

b. We must determine the source of cadres at every echelon, including cadres inside and outside the party, cadres at various echelons and sectors and in the armed forces as well as at various colleges and scientific research organs, production and business units, and so forth.

c. We must study to thoroughly understand the aptitude and specialty of cadres before selecting them for training to improve their theoretical or professional knowledge. Depending on the requirements of each city, province, district, precinct, village, ward, and enterprise, we must send cadres to study at schools run by the central authority or by relevant provinces, cities, districts, and precincts. Upon their graduation, we must pay attention to using them for the right work. We must gradually improve the quality of the contingent of cadres in accordance with requirements for national industrialization and modernization. Schools must ensure close control of training substance and teaching methods. They must improve the quality of their instructors, and do away with the practice of doing the teaching job for material gains.

d. We must correctly comply with cadre-related stipulations in accordance with the Secretariat's Circular No. 76 on developing and making good use of talents.

The Central Committee Organization and Culture and Ideology Departments, the Ho Chi Minh Institute of National Politics, the Institute of National Administration, and the Ministry of Education and Training are to coordinate closely in formulating a cadre planning strategy for the period up to 2000 and subsequent years, particularly through 1995 to prepare personnel for the eighth party congress. To this end, measures must be taken to improve the quality of cadres in charge of party organizations, administrative organs, and mass societies.

e. It is necessary for party committee echelons to organize the dissemination and direction of implementation of the Secretariat's Directive 37 on female cadre-related work. Party committee echelons and party organizations must have correct concepts on female cadre- related work and must overcome narrowminded and feudalistic thinking, as well as the tendency to seek perfection and pay attention only to short-term objectives without realizing the importance of long-term goals. It is necessary to firmly grasp the party's general cadre evaluation criteria and apply them to the female cadre selection, assignment, and work distribution system in a rational manner. Female cadres and party members have their own characters. Therefore, while effecting female cadre work distribution and assignment, we must take into account the characters of these cadres instead of applying the same cadre evaluation criteria for male cadres. It is necessary to create conditions for female cadres to develop strong points, overcome shortcomings, and satisfactorily fulfill their duties. It is necessary to have correct concepts on the selection, training, improvement, use, and remuneration of these cadres. It is important to increase the percentage of female cadres in charge of leading organs in accordance with the spirit of the Central Committee Secretariat Directive 37. It is necessary to review the implementation of this directive and draw experiences from it.

—Regarding cadres in charge of grassroots organizations, central-level agencies concerned must study and supplement systems and policies toward them, especially toward the contingent of village and ward cadres. It is necessary for party committee echelons to make due efforts to build the contingent of grassroots cadres, especially key cadres. It is important to assign cadres to localities that do not have sufficient personnel or still display shortcomings. Incentive measures must be taken to assist and help the newly-assigned comrades to overcome difficulties so that they can work with their minds at ease and make every effort to satisfactorily fulfill their duties.

Thirdly, it is necessary to continue to better implement party member-related work based on the solid knowledge of the party's concepts and the application of correct measures to implement this task.

a. First of all, it is necessary for party committee echelons and party organizations to fully realize the valuable revolutionary traditions and strong points displayed by the contingent of party members and henceforth, define orientations to make everyone further develop their strong points. At the same time, it is necessary to be fully aware of the drawbacks of the contingent of members and henceforth, adopt measures to help everyone overcome their shortcomings and weaknesses.

At present, our party has more than 2 million members, with the number of comrades who joined the party before 1975 accounting for nearly 50 percent. These are revolutionary fighters of many generations who have fought stalwartly in the struggle to wrest back power prior to the August Revolution and in the two glorious wars of resistance. Having been forged by a protracted and arduous struggle that was rife with sacrifices and challenges, the majority of those comrades have perseveringly followed the revolutionary path and gained many experiences in leadership and mass mobilization work. They constitute valuable assets of the party and people. To date, some of these comrades still work in different sectors and services and often hold key positions in party organizations and state apparatuses. The vast majority of them have retired. Nonetheless, many of these comrade retirees continue to participate in the activities of grassroots establishments and exert good influence on them. When they were still young or even when they actually performed their duties, the majority of these comrades did not have many opportunities to receive systematic training to improve their knowledge. As a result, their current abilities are very limited.

We must take into account those valuable assets of the party and work out measures to foster and develop this contingent of stalwart revolutionary fighters. Regarding those old, weak, or ailing comrades, the party has adopted a policy under which they are exempt from or are allowed to participate less in party activities and party-related work. They also are not subjected to the yearly party member evaluation and party quality rating report. Nonetheless, party committee echelons must make regular meetings to exchange views, share information, and help them with their difficult problems. Regarding those members who still participate in party activities or assume party-related work, party organizations should entrust them with duties suitable to their abilities and conditions. Regarding those members with limited capabilities and background, party organizations should help them effect changes for the better.

Moreover, the contingent of party members admitted since 1975 now accounts for more than 50 percent of the total party membership. In the days ahead, the number of these new party members will increase considerably. Many of these members were trained and forged during the period near the end of the resistance war against the United States, and most of them became mature during the period of peace and national reconstruction. The advantage of these members, however, is that they are young and in good health. They also have good education, have professional skills, and are able to learn from modern technology. A number of them still lack experience, however, in leadership, carrying out party tasks, and in implementing the mass mobilization work.

Various party organizations must take the work of fostering and developing the young party members as a regular task that plays an important role in maintaining the heritage and development of our party.

Elder party members must enthusiastically help and boldly assign work to the younger members, considering this their obligation and honor. Young party members must actively surge forward to take more tasks and responsibility entrusted them by the party and people, and strive to learn from the experiences of elder party members, especially experiences in mobilizing the masses.

In the coming years, we must pay special attention to educating and fostering the masses while recruiting more competent people to overcome the situation of lacking local party members in hamlets, villages, wards, subwards, streets, state enterprises, and in areas inhabited by ethnic minorities and religious groups. This task must be carried out in conformity with the unique conditions in each area.

B. We must continue to draw on experiences to satisfactorily carry out the task of analyzing the quality of party members. It is essential for us to thoroughly understand that this is aimed at knowing the real situation of the contingent of our party members and of each individual so as to find ways and means to enhance their capabilities. Efforts must be made to foster and develop the contingent of our members in the actual situation of our renovation process. We must organize refresher courses on political ideology, culture, specialized tasks, party building and mass mobilization work, and administration for the contingent of young members.

C. We must study the capability and condition of each member to correctly assign them with appropriate tasks. Special attention must be paid to assigning work to female members. Echelons of party committees must consistently control, assist, and create favorable conditions for members to fulfill their assigned tasks. For villages and wards where there is a large number of members, we must select competent members to work in populated areas while assigning duties to other members to work with specialized groups such as the economic, educational, public health, party building, mass mobilization, and national defense and security groups. These groups will carry out their specialized work while playing the staff role for echelons of party committees in accordance with their assignments.

D. For comrades whose families face economic difficulty and hardship in their daily life, party committees and organizations must formulate plans and provide conditions to help these families earn enough so as to create a peace of mind among comrades who are working for the party.

We must closely monitor activities of members from party chapters who are assigned to work in localities.

Fourth, efforts must be made to satisfactorily carry out tasks to improve the party organization.

The most important thing is that we must formulate and strengthen the work procedures of party committee echelons, party affairs committees, and party organizations in grass-roots units so as to ensure the correct implementation of the party leadership function.

We must immediately improve and stabilize the model of party committees at the provincial and district levels while striving to avoid creating confusion. This is aimed at enhancing the quality and result of these committees' activities.

Generally speaking, the comrade secretaries of party committee echelons at the provincial, city, precinct, district, and grassroots levels may be nominated to run for the position of chairperson of the people's councils at the same levels. It is necessary for party committee echelons to prepare well for the application of this policy to the forthcoming elections of people's councils at all levels.
—Secretaries of hamlet, village, and city block party chapters may be nominated to run for the elections of hamlet, village, and city block chiefs (because realities in many localities have testified to the correctness of this approach, greater efforts must be made to further develop its effect).
—Secretaries of party committees and village or city ward party chapters may be nominated to run for the elections of chairpersons of people's committees. There are still many different views on the application of this model. Furthermore, we still lack experience in this regard. Recently, the Secretariat adopted a policy under which party committee echelons were allowed to experiment with this model. It is suggested that local party committee echelons closely follow this issue and derive practical experiences from now through 1995 so that the Secretariat may have an idea about the application of this model and give direct advice. We should not expand the experimentation with this model on a large-scale basis. This is a new and difficult task and we should proceed with caution.

Fifth, it is necessary to strengthen the relations between the party and the masses.

The close relations between party members and the masses constitute the fine traditions and good behavior of the party as well as an important requirement of party-building work. They also form one of the well-defined criteria for differentiating our party with other organizations.

It is the party's duty to make due efforts to build and promote the roles of administrative organs and mass societies as well as implement the people's right of mastership. At the same time, it is the party's policy to assign party members to work closely with mass organizations in overcoming indications of red tape and bureaucratism among cadres and party members.

In the framework of party leadership over mass mobilization work, it is necessary to satisfactorily carry out the following five major tasks:
—Guaranteeing democracy and social justice.
—Making efforts to promote economic development, improve the people's living conditions, eliminate hunger and reduce poverty, and resolve the unemployment problems.
—Building schools for children and medical facilities for patients.
—Building roads at villages, city wards, and hamlets.
—Educating the people on the need to practice thrift to enrich their families and contribute to national construction. It is necessary for cadres and party members to set a good example for everyone to follow.
—Maintaining public security and social order so that the people can enjoy a peaceful and happy life.

We must pay due attention to these tasks because they respond to the people's legitimate aspirations.

Sixth, it is necessary to consolidate the organ in charge of giving advice to the party on party-building work, especially on cadre-related work. First of all, personnel in charge of cadre-related work must adopt a straightforward, democratic, objective, and careful attitude. As newly-assigned cadres to take charge of personnel organization, many comrades fail to firmly grasp the contingent of cadres. There is misinformation, too. Therefore, as far as cadre evaluation is concerned, one must listen to different views and judge cadres by their practical deeds. This is because each cadre has his or her own strong points and shortcomings. Therefore, when evaluating the work performance of cadres at all levels, one must adopt an objective and democratic attitude and listen to different opinions.... This requires the contingent of cadres in charge of personnel organization to firmly maintain revolutionary ethics and make constant efforts to improve their intellectual backgrounds and capabilities, and keep themselves abreast of real life situations in order to fulfill the duties assigned by the party.

To meet both immediate and long-term demands, especially the requirements of cadre-related work in the new situation, all echelons must exert greater efforts to make organizational committees strong enough to satisfactorily fulfill their role as advisors to party committee echelons....

Defense Ministry Discusses Corruption, Smuggling

BK1008102194 Hanoi QUAN DOI NHAN DAN in Vietnamese 20 Jul 94 p 1,4

[Text] The Ministry of National Defense held a conference on 18 July 1994 to review the struggle against corruption, smuggling, and wasteful spending in the first six months of 1994 and to decide on measures to be taken to continue to fight these bad practices in the last six months of the year.

The conference was chaired by Senior Lieutenant General Nguyen Trong Xuyen, deputy minister of national defense and chairman of the Committee for the Control of Corruption, Smuggling, and Wasteful Spending. Attending the conference were commanders and deputy commanders of various military regions, army corps, armed services, and combat branches; and representatives of various general departments and judicial organs of the armed forces. The conference unanimously noted that things remain serious although the situation regarding corruption, smuggling, and wasteful spending in the entire Armed Forces over the past six months has shown some improvement when compared with that in the first six months of 1993. The number of cases of corruption, smuggling, and wasteful spending investigated, verified, and dealt with (including those cases still in backlog) has increased more than the number in the first six months of 1993. Many newly arising cases have been dealt with in a timely manner, thereby producing good didactical and preventive effects.

With regard to those measures to be taken to continue to fight and to prevent the bad practices of corruption, smuggling, and wasteful spending, the delegates unanimously agreed to further intensify indoctrination and management activities and to avoid creating loopholes for bad elements to seek personal gain through corruption and smuggling. Management efforts particularly must be focused on those units in charge of budgets, supplies, equipment, transportation means, and storehouses, as well as on economic units since they are places where corruption and smuggling easily can develop.

Comrade Nguyen Trong Xuyen concluded the conference by pointing out the duty of the leadership at various levels to exert their active effort to carry out more satisfactorily the struggle against corruption, smuggling, and wasteful spending in the last six months of 1994. This will achieve higher results.

Prime Minister Views Quang Nam-Danang's Economy

BK1008102394 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Aug 94

[Text] The government office recently made public the conclusive views of Prime Minister Vo Van Kiet on the socioeconomic situation and tasks of Quang Nam-Danang Province.

The prime minister requests Quang Nam-Danang Province to finalize a general development plan for the period until the year 2000. This plan should be completed by the end of 1994 at the latest. The province's economic structure must be determined clearly depending on the latent potential of each area. Efforts must be focused on developing industry, small industry, and handicrafts in urban areas; bringing into full play the development of agriculture and trade in lowland areas; promoting the cultivation of industrial crops and raising livestock on a large-scale in mountain and mid-land areas; and developing tourism- and seafood-based economies in the coastal area.

Along with a vigorously developing construction industry, Quang Nam-Danang must pay attention to developing its ship-building and ship-repair industry, bring into full play its export industry, and turn Danang City into a catalyst for the development of other areas.

Quang Nam-Danang must use credit loans to invest in various key projects. The province must urgently clear those enterprises, which are either under the central or local authority, from the areas already planned for the An Don Processing Zone.

The prime minister also directed Quang Nam-Danang Province promptly to set up the managing board for an industrial complex, to establish the Steering Committee for the Restoration of the Old Town of Nghe An, and to prepare an economic-technical development plan with the selection of partners for joint ventures prior to presenting this plan to the government for endorsement.

Foreign Currency Regulations Take Effect 1 Oct

BK0908155094 Hanoi VNA in English 1342 GMT 8 Aug 94

[Text] Hanoi VNA August 8—The prime minister has decided additional regulations to get further control of foreign currencies.

Under decision No.396/TTG which takes effect as from October 1, 1994, all proceeds in foreign currencies from export transactions and providing services to foreigners and other sources of income inside the country by organizations and units must be deposited in their accounts opened at banks licensed to trade in foreign currencies in vietnam. As for banks and financial companies having satisfied all provisions by the state banks, units belonging to aviation, maritime, posts and insurance services, foreign-invested enterprises and Vietnam's economic organizations allowed by the prime minister to set up offices abroad shall be permitted to open accounts in foreign countries in service of business.

Hanoi To Sell Life Insurance To Mobilize Funds

BK0908132294 Hanoi Voice of Vietnam in English 1000 GMT 9 Aug 94

[Text] Vietnam's Government plans to start selling life insurance policies this month to harness money now outside the banking system. It hopes to mobilize 800 million dong from insurance policies this year and 1,200 billion dong next year.

Retail Oil 'Firmly Shut' to Foreign Companies

BK0508055194 Bangkok BANGKOK POST in English 5 Aug 94 pp 17, 28

[Report by Bunsong Kositchotthana]

[Text] Ho Chi Minh City, Vietnam—Vietnam has foiled efforts by international oil companies, including the Petroleum Authority of Thailand (PTT) and agro-industrial giant Charoen Phokphan (CP), to enter its large and growing retail oil market.

Foreign oil companies seeking to establish retail fuel distribution networks in this socialist country see the door remains firmly shut on them despite Hanoi's repeated announcement that it welcomes foreign investment.

Vietnam, for the near future, seems unprepared to see foreign oil companies' participation in oil retailing by whatever means: joint ventures with the Vietnamese government or private concerns or through wholly-owned subsidiaries.

This was made known by the Vietnamese deputy trade minister to a PTT delegation led by governor Luan Kritsanakri which was recently in Hanoi to ascertain Vietnam's policy on foreign investment in oil retailing.

Phala Sukkhawet, PTT's president for downstream oil businesses, who met the minister said Vietnamese authorities were not sure if or when they should open up the retail market to foreign oil companies.

Mr Phala believes Vietnam will at some time ease the restriction and open the retail oil market to foreigners.

For the time being, Vietnamese authorities appear to want to allow state oil companies such as Petrolimex, Petchim and Saigon Petrol to maintain their monopoly on the retail oil market in Vietnam.

Clearly, Vietnam's entry ban on foreign oil marketing companies will delay PTT's plan to set up service stations in the country, as well as the retail oil project to be undertaken by an established joint venture with CP and Vietnam's Saigon Petrol under the PetroAsia banner.

A joint venture company PetroAsia (Saigon), was planned to implement the project, which envisages the establishment of oil depots and 50 service stations in the next five years. PTT's stake in the scheme is 20 percent.

The plan is part of broader cooperation between PTT and CP in undertaking petroleum related businesses in Asia now focussing on developing retail oil networks in China and Thailand.

Already, multinational oil companies such British Petroleum (BP), the Royal Dutch Shell, Total of France and most recently Mobil have been knocking on Vietnam's door.

However, companies such as BP, Shell and Castrol have started to make their presence in the Vietnamese market felt initially through lubricant businesses. These companies have put their brands in Vietnamese state oil firms filling stations, although they are not actually engaged in fuel operations.

Motorcycle workshops carrying BP and Castrol names and logos are proliferating in this southern city where hundreds of thousands of Honda scooters dominate the streets.

Major oil companies have maintained their patience in the belief that the retail oil market will eventually be opened up.

"It's a matter of time and something you have no choice but to encounter in a socialist country like Vietnam," one foreign oil executive said.

The implementation of economic reforms in Vietnam in the past three years has resulted in a steep rise in oil use offering significant market opportunities for foreign oil companies.

According to state-owned Petrovietnam, oil use in this nation of 72 million people surged 16.3 percent in 1992 and 22.8 percent in 1993. This year's demand is estimated by Petrovietnam at 80,000 barrels per day (b/d) and this is expected to double to 160,000 b/d in the year 2000.

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